



DIRECTORS
ROUNDTABLE

WORLD RECOGNITION of DISTINGUISHED GENERAL COUNSEL

GUEST OF HONOR:

George Dalton

Group General Counsel,
Dubai World

THE SPEAKERS



George Dalton
*Group General Counsel,
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Augusto Sasso
*Managing Director, Co-Head of
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East and North Africa (MENA),
Moelis & Company*



A. William Urquhart
*Partner, Quinn Emanuel
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*Partner,
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*Partner,
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TO THE READER:

General Counsel are more important than ever in history. Boards of Directors look increasingly to them to enhance financial and business strategy, compliance and integrity of corporate operations. In recognition of our distinguished guest of honor's personal accomplishments in his career and his leadership in the profession, we are honoring George Dalton, General Counsel of Dubai World, with the leading global honor for General Counsel. Dubai World operates in a number of countries in diverse industries, including transport and logistics; dry docks and maritime; urban development; and investment and financial services. Mr. Dalton's address will focus on key issues facing the general counsel of an international corporation. The panelists' additional topics include restructuring corporate and sovereign debt; international litigation; challenges among partners of joint ventures; and operating in diverse countries in multiple regions.

The Directors Roundtable is a civic group which organizes the preeminent worldwide programming for Directors and their advisors, including General Counsel.

Jack Friedman
Directors Roundtable
Chairman & Moderator



George Dalton

George Dalton, as both general counsel and in private practice, has over 30 years of legal experience in most aspects of international business and law, including advising boards of directors, large mergers and acquisitions, significant infrastructure development and financing, litigation, securities, risk management, regulatory compliance, real property, tax structuring, government relations in both the U.S. and foreign, and media relations.

Before recently joining ITT Corporation, George was located in Dubai for the last six years, where he was General Counsel of Dubai World – one of the largest companies in the Middle East. Dubai World is active in

over 75 countries in commercial and residential property development, hotels, resorts, port operations, private equity, ship building and repair, warehousing and logistics, and numerous other holdings. Amongst his other responsibilities, he was a member of the Chief Restructuring Officers' Committee which supervised a \$25 billion restructuring of corporate debt. Prior to the debt restructuring, he led the legal team in over \$30 billion in financings and acquisitions. He is a graduate of Fordham University and Fordham Law School.



Dubai World

Global holding company Dubai World focuses on the strategic growth areas of Transport & Logistics, Drydocks & Maritime, Urban Development, Investment & Financial Services.

Our portfolio contains some of the world's leading companies in their industries, including Drydocks World, Economic Zones World, Istithmar World and majority ownership of DP World.

Dubai World has embarked on a process to streamline the group and its core activities.

This will allow us to move forward with greater efficiency.

We are committed to investment in the long term and generating value for our shareholder, the government of Dubai, with a corporate philosophy in line with the vision set for Dubai by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, and Ruler of Dubai, based on sustainability, best ethical practices and integrity.

JACK FRIEDMAN: I would like to say that honoring George Dalton is a special privilege. I have found George to be, apart from all the good qualifications of being a general counsel, very organized, a people-oriented person, a serious person – all these good qualities.

GEORGE DALTON: I'm not that organized.

JACK FRIEDMAN: One other thing I want to credit. George is from New Jersey originally, and has come all the way here to New York by way of Dubai. He is also an undergraduate and law school graduate of Fordham.

Without further ado, I'd like to have George speak on his opening remarks.

GEORGE DALTON: First of all, I want to admit that I did not know much about the Directors Roundtable, and certainly not Jack Friedman, until very recently. So aside from thanking him, I'd also like to encourage everybody in the audience to really look into this organization if you're not already familiar with it. It seems to be a fantastic organization from just the few weeks that I've been involved with them.

I must say, this honor is entirely unexpected for me. I think most of us like to be recognized for the work that we do, but I think frequently lawyers are *not* recognized for what they do, and to be recognized by such a prestigious organization is quite humbling for me. So again, thank you very much.

I also wanted to thank Latham & Watkins for hosting this event – in particular, the staff were nice enough to really bump up the strength of the coffee so that after I get finished speaking, you guys can pay attention to the ones who really know what they're talking about.

A lot of times, awards like this are given to individuals, but it's really not about the individual, and I just want to mention



a few people who can't be here because Dubai is about a 14 ½-hour flight. I have a fantastic team back in Dubai who also deserve the recognition that a 150,000 transcript distribution means. My deputy is Lisa Chan. Lisa keeps me organized – I'm not. She's very patient with me, and very, very diligent. I'd like to thank her a lot.

I have two business unit general counsels who are my sounding boards, and that's Nick Hornung from Istithmar and someone in the audience knows him quite well, because she was seconded there from Cleary Gottlieb some time ago. Olivier Schwartz, is the general counsel of DP World, which is where I first started at Dubai Ports – DP World is also its other name.

Lastly is Bernadette Allinson. She's a very experienced British-trained lawyer and corporate secretary. She has taken DP World through two listings, one an IPO which I was involved with. But more importantly, Bernadette helps me a lot on corporate governance and ethics, which is something that is critical for all of us.

So I wanted to thank those folks.

The Panel had a number of discussions about where we were heading today, and what we came up with was a theme about reputation and relationships. They go hand in hand, and reputation and relationships can be good, or they can be bad. It's critical for the topics – we'll get into some specific topics – but each of those topics has an impact on reputation, or I should say, reputation and relationships have an impact on all of our topics.

Let me just say a few words about the panelists, because frankly, they represent the good hand of reputation and relationships.

I hate litigation. It's the last resort. Notice that I didn't say "I hate litigators." Bill Urquhart has been a valued confidant and a very close friend for over 30 years. Now, ironically, I rarely use Bill or his firm, who are pure litigators, and there are a number of his colleagues in the audience today. But that changed over the last few years, and with Dubai World going through some of the problems that it's faced, Bill and his firm were very involved with that. I knew I could trust the firm; I knew I could trust Bill; and his reputation, and the firm's reputation for handling critical matters, were very important. I'm going to keep coming

back to this whole idea of reputation and relationship. We'll hear about a couple of those problems in a few minutes, which Bill will talk about.

I've only known Mr. Sasso for a couple of years, but Augusto got involved with us quickly and in a large way. Dubai World was having some issues in the largest investment that we have outside of Dubai, which is CityCenter in Las Vegas. I called Ken Moelis and asked if they were interested in coming on board. The reason that we called Ken was that they're investment advisors, but they don't take positions in companies. Thankfully, Ken had the foresight to nominate Augusto to lead the Moelis team.

Augusto jumped in the fire with both feet, and he actually took over some very difficult negotiations in 2009 where Dubai World was not the project leader, MGM was. It was a very difficult time, and we'll go back and talk about that in a minute, but Augusto took over the direction of those negotiations and was absolutely critical in our success in those refinancings that we did back then.

Bryant Edwards is down on the end here. Bryant was the head of the office in the Middle East and North Africa region for Latham & Watkins, and Bryant represents the government of Dubai. Interestingly, Bryant, at one point – and again, we'll get to some of this later – asked if he thought it was appropriate that some guy named Mitch Seider should come into play. Now, this was at a point right after Thanksgiving. Calls started going out frantically for some help over Thanksgiving two years ago because Dubai made an announcement that they might default on a massive debt and all the repercussions needed quick and insightful consideration.

So, Mitch came on board and he was very excited, because what we were talking about was the possibility of drafting a new bankruptcy code for Dubai, or specifically for Dubai World. So Mitch got all pumped



up about this and was really looking forward to it, and then Bryant happened to mention that we wanted it in a week. Mitch pulled it off! He worked very seamlessly with Dubai World's corporate firm, which was Clifford Chance, as well as Quinn Emanuel and Susheel Kirpalani, who leads Quinn Emanuel's bankruptcy group, and he is in the audience today. I'd asked Quinn to help us take a look at some of the ramifications for potential asset seizures, both in the United States and the United Kingdom. So, the three firms were just fantastic in working together.

Another word about Bryant: he is one of these guys who would be presented with what we all felt was an insurmountable problem, and he'd go very quiet and then he'd become contemplative, and then in a day or two – sometimes in an hour or two – he'd come back with an answer. So it's been a pleasure to work with Bryant through the course of what was a very difficult and arduous debt restructuring.

Before outlining some of our panel topics, I'd like to say that I recently resigned from Dubai World. I planned on being there for two or three years; I ended up being there

for six and a half years. The challenges, the social experience, the cultural experience, the work was absolutely fascinating. But the timing was really very good for me to return to my family. My children, who are adults, are both in the United States; and it was time to return. I worked very cooperatively with Dubai World to plan to leave shortly after the debt restructuring took place. I moved back just before the snowstorm a couple of weeks ago, so that was a nice welcome – a little bit of change from the heat of Dubai. So it's good to be back in the United States.

We have three topics to talk about. The first one is really not appropriate for the panel discussion, but it fits very well into the reputation and relationship topic. Many of you, and perhaps all of you, have read about the Dubai Ports crisis in Washington a few years ago. This was something that was so critical to the company and the government of Dubai that I felt that we should mention it, because it fits squarely into reputation and relationship. So, while it's not going to be part of the panel discussions, I'd be happy to take questions about it later.

The second topic is our investment in CityCenter and MGM, and the hurdles that we eventually overcame to make those accomplishments. Augusto and Bill Urquhart were both involved with that, so they'll talk some about it. Then, of course, the \$25 billion debt restructuring, which all of our panel members will be discussing.

Let's turn first to Dubai Ports by giving you some background on Dubai World. It was formed by decree, which is a Royal Decree, in 2006. But in point of fact, it actually operated as a holding company through an office called TCO, or The Corporate Office. It was an informal group, but it's where the former chairman sat, along with the executive committee of Dubai World.

The government of Dubai can be strictly described as the shareholder of Dubai

World, but in point of fact, no shares are issued. It's just an easy way to draw an analogy to the way the developed nations work. It is a government-owned company; but it's designed to operate as a commercial and private company. So it frequently waives any kind of sovereign immunity or jurisdictional objections.

It has about 40,000 employees. That's been varying over time. It was as high as 55 or 60 at one point. There have been some layoffs because of the recession, unfortunately. It operates in over 50 countries. Dubai Ports has many of those; they are in about 32 or 33 countries now. There are five business silos within Dubai World, as we like to look at them.

One is transportation and warehousing. You've heard a lot about Dubai Ports. There's also a company called Jafza, which operates the largest free zone in the world. It's about 82 square miles, and has about 300 of the Fortune 500 companies, along with a total of 6,000 tenants in the free zone. So it's quite massive. The other component of the transportation side is P&O Ferries, the U.K. ferry company that we bought when we acquired P&O Ports.

Isthmar is the private equity arm of Dubai World. They invest all over the world, including in the United States and many other countries.

Dubai Drydocks is the largest dry docks in the world. You may have been reading about some of the restructuring aspects it's going through now. It had acquired a Singapore-based company some years ago, and the market for repairing ships and building ships has obviously slowed with the economy.

Real estate was our main problem child, formerly Nakheel and Limitless. Nakheel is the builder of the Palm Islands, which many of you would know, along with countless numbers of other developments. Nakheel and Limitless were spun off from Dubai World not too long ago after the



debt restructuring, and are now under the government of Dubai as well, resulting in a healthier balance sheet for Dubai World.

Then we have a number of miscellaneous companies that do a variety of things – B2B business and things like that.

It's no surprise to anyone that the last two years have been very difficult. Again, that's attributable to our real estate investments, but not entirely. The economies around the world have all been tough. But, from what I can see, coming out of this \$25 billion debt restructuring, a positive environment has now been created in Dubai that will help to normalize operations and revenues, and hopefully we'll end up in a positive light as opposed to the consequences that could have occurred, which we'll talk about when we get into the restructuring aspect of the panel.

Turning to Dubai Ports, in early 2006, there was a takeover of the British company, P&O Ports. It was a very longstanding British company which was traded on the London Stock Exchange. It was contested against the Port of Singapore. We ended up winning it for about \$7 billion. As part of that acquisition – a very small part, I might add – six ports in the United States were included, along with sixteen stevedoring operations. For those of you who are not familiar with marine transportation, stevedores are basically a

company that just picks up the containers and moves them. They don't really operate the port itself.

One of the things I want to make very, very clear, because this is something the American people and Congress simply are not aware of: if you look at what you're wearing, the devices in your pockets, the glassware up here; everything moves through that marine supply chain, with some exceptions on the air side. But the marine supply chain vastly outstrips the air supply in terms of volume.

I want to be clear that neither DPW, nor any other port operator, owns or controls a U.S. port. U.S. ports are owned and controlled by the state in which they are situated. For example: here, it's a combination of the Port of New York and New Jersey Authority. The security for those ports is handled generally by the Coast Guard and Customs, along with other federal agencies. Yet that piece of it was misunderstood by Congress and the public, who thought that the security of very critical ports in the United States was being turned over to a "bunch of Arabs." It's simply not true.

We went through a CFIUS (Committee on Foreign Investment in the U.S.) approval process, which was granted within the normal 45 days initial filing. CFIUS could have directed a more expansive review to take it up to 90 days. They didn't ask for that, because we were vetted and we were found to be suitable and clear. In fact, what would have happened was the largely British and American senior management of P&O Ports that were located in the United States would have stayed put, and in fact, they ended up staying, once we sold the U.S. ports.

Some pundits have described this as a perfect storm, and if you remember the movie with George Clooney, the perfect storm was a confluence of certain events. This one met that standard. It was a Congressional election year. There was a Republican Congress and President. The

Democrats were looking to make waves in Congress and try to gain seats. Certainly nothing wrong with that at all. The second event was that this was an Arab company “taking over U.S. ports,” as it was mistakenly described. Again you don’t “take over” U.S. ports. You operate some of them as a tenant, usually a long-term tenant. The lack of an educated populace and Congress about marine transportation added to the third part of that confluence of events and created the perfect storm.

So, let’s go back to how Washington looked at it, and how we evaluated relying again, on reputation and relationships. My personal opinion, and this is not on behalf of the company, is that this was a huge disservice to the people of the United States. The United States ports are in desperate need of investment. The infrastructure is decaying rapidly. A friend once described California, the Port of Los Angeles and Long Beach, which is the largest port in the United States, as being “constipated.” You can get cargo in, but you can’t get it out. That’s becoming more true with a lot of the aging ports that we have in the United States, and it’s going to become more critical once the Panama Canal is broadened and widened to allow for the biggest ships in the world to go through there. Right now, they can only go into California or transit the Suez to come to the East Coast. That’s too long a trip, and very few of them do. But once the Panama Canal is open, the southeastern Gulf will benefit from increased investment. There’s nobody investing.

Shortly after we sold the ports, we were approached by three separate governors or senators from southeastern or Gulf states, asking us to come back and invest. They basically said, “Well, we’re not New York. You’re going to be welcome here, because we need your money, and we need your expertise.” Unfortunately, Dubai Ports is not yet willing to do that. This left a reasonably bad taste in their mouth, and at some point they will come back, but they

“You have to remember, too, that the UAE is a very young country. If you think about how long it took the United States to get to where we are versus how long it’s taken the UAE to get to where they are, it makes for an interesting story. Frankly, the UAE has made incredible progress in a very, very short period of time.” — George Dalton

want the dust to settle for a couple more years now.

Going back to the relationship side, the government of Dubai — again, the ultimate shareholder of Dubai Ports — said, “Sell the U.S. ports. Our relationship with the United States is too critical to have an uproar in Congress.” At one point, we considered, and I consulted with a number of very prestigious litigators, including Bill Urquhart, about the possibility of suing the United States government. I was looking for an apartment in Washington at that point in time. A decision was made not to. That would have been a very lengthy suit. But frankly, we were pretty confident in our position after following the CFIUS process and getting their approval.

Instead, the government of Dubai valued its relationship with the United States so deeply that it said, “Sell the ports.”

A little bit more about that relationship. Very few people know this. The United States Navy has more vessel calls in the Port of Jebel Ali than anyplace outside the United States. The Port of Jebel Ali is in Dubai. The UAE is the only Arab nation that has boots on the ground in Afghanistan. These are all things that go to the relationship. So we offered to sell it under an appropriate process. An appropriate process took about a year. We did very well in the sale. So the U.S. ports previously owned by P&O ports are now owned by AIG Highstar — AIG. Ironic?

Let me turn to CityCenter and our MGM shares. It was a very large investment

outside of Dubai. Like I said, it was the largest one we have undertaken outside Dubai, until we did London Gateway, which is a port in London.

Let’s note the timeframe here. Late 2008, early 2009, it was a tough time for everybody, including many of the banks; especially the lead bank that was financing CityCenter. CityCenter hadn’t opened yet, so it was still project finance, and the costs were inflating rapidly. It was nearly impossible to get the attention of the banks during this tumultuous period, to say to them, “We have to refinance this because we’re simply not going to meet covenants.” They were engrossed with their own problems, so we had a difficult time getting their attention and getting any activity.

In March of 2009, MGM filed its 10 K, which contained a “going concern” note from its auditors. So, the “going concern” note, combined with the inflating project costs, caused us to hesitate a great deal. We had to figure out what alternatives we had. Frankly, we didn’t see any alternatives.

Very reluctantly, I turned to litigation. I engaged Bill Urquhart and his firm, and we started a lawsuit. The suit was carefully crafted, but the objective here was *not* to go after MGM, because we had a pretty decent relationship with them up until that point. The objective, really, was to get this deal refinanced and restructured, and get the attention of the banks. That lawsuit created almost immediate attention from the banks. Moelis and Augusto Sasso stepped in — thereby helping MGM, the project, Dubai World and indirectly, the lenders,

construction workers, and employees — and a deal was crafted in about six weeks. The lawsuit was settled immediately, within that six-week timeframe. MGM never filed an answer so the lawsuit really never went anywhere but was a tool to achieve a sound financial result.

CityCenter opened in December of 2009. Again, it was a pretty difficult timeslot for the economy. It was off to a difficult start. It was slow. But then in the second half of 2010, it started to improve, with further improvement occurring in 2011. The improvement in the second half of 2010 allowed Augusto to again restructure the financing, to the tune of \$1.8 billion. That occurred over the Christmas and New Year's timeframe, so we were all a little bit busy. Augusto will talk more about that later on.

But the bottom line here is that the reputation of Dubai World was important to us. We did not want to see CityCenter fail. We think, actually, that the lawsuit and the subsequent refinancing, which was the critical piece, saved not only CityCenter, but also MGM, because of the criticality that CityCenter had towards MGM as a whole. Dubai World was also having its problems at the time. We felt that this size investment could have put us under. We think that ultimately, it went very well.

However, that tarnished the relationship that we had with MGM. Initially, after that lawsuit, MGM and some of its senior executives were very upset with us. I took most of the heat for that because I'm the lawyer who commenced suit, so it's easy to point fingers. But what happened with the outcome with the lenders actually vindicated the purpose of the lawsuit, and that relationship is now very, very strong, and the project still is dependent on the economy, but is actually doing reasonably well. We'd like to see it do better, of course; we'd like to see MGM stock do better, as it will. But on the whole, it's doing okay.

The last topic is the Dubai World debt restructuring. This was, as mentioned, a

\$25 billion restructuring. There were 96 banks involved. The banks were centered in London, the Middle East, and a few in Asia. There wasn't a heavy U.S. presence initially, but then the hedge funds started coming in and buying up what they felt could enhance their revenues.

Again, because of Moelis' reputation and its relationship with Dubai World, Dubai World recommended Moelis to advise the government of Dubai in the restructuring process. The government, as shareholder, was much more critical than the company to get the restructuring done.

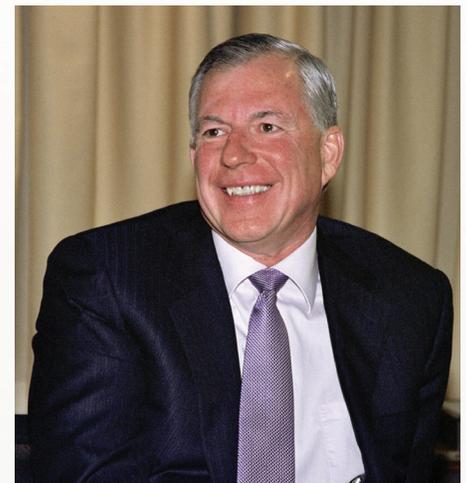
Dubai World, however, was critical to Dubai, the UAE and the region. It's a massive company, and failure for it was not an option. But that raised numerous questions, and I couldn't even venture a guess at how to accomplish a massive restructuring of this nature without having a significant harmful effect on Dubai and its people. What are the odds of getting a consensus among 96 banks? How do we protect against asset seizures, as I mentioned earlier, in the United States and in the U.K.? We have ventures like CityCenter, Turnberry (the golf course in the U.K.), Inchcape Shipping, the Mandarin Hotel here in New York, the W Hotel here in New York, and the Fontainebleau in Miami. We have countless others, and many in the U.K. and scattered around the world. So we had the legal team looking at how best to protect these assets from seizures.

How do we restructure if debtor consent is not given? Does the UAE Bankruptcy Code apply? The UAE did not have the concept of a restructuring. It was a pure liquidation. That would have been disastrous for Dubai and the region and, frankly, all of the creditors.

Without some sort of a restructuring process, we'd be in front of the Dubai courts. This was an extremely complex problem, and the Dubai courts have never experienced this type of global problem, so it is likely they would have struggled with this,

resulting in an even longer time frame to accomplish this essential step.

Do you treat the classes of creditors differently or similarly? There were very, very broad classes. There were the big banks; vendors that were either exceptionally large or exceptionally small. You had individuals who had small, little companies, or you had a number of Dutch dredgers who had billions of dollars sunk into this. You had individuals who were purchasing land. You had real estate developers who were purchasing a lot of land. You had employees. This goes on and on and on. How do you treat all those classes of creditors?



The panelists will talk about this in great detail, and as I said, all of the panelists here were involved in that restructuring. But just for me to conclude, all three of these topics had that common theme of reputation and relationships. So, without the good hand that I mentioned earlier, those questions — the abbreviated series of questions I just raised — would have been answered badly. The creditors, the vendors and the customers all would have been seriously and negatively impacted. Dubai and the region would have suffered and perhaps a broader global ripple may have also occurred.

I'll go back to that Thanksgiving two years ago, when it was first announced that Dubai World might default. Even though it was a

day or two before Thanksgiving, there was a potential for the announcement to cause global stock markets to go down, for credit markets to go down, and oil prices went up similar to the reaction to the problems with smaller players in the EU.

JACK FRIEDMAN: It reminds me of something the financier, J.P. Morgan, said a century ago, “I can predict the market. It will go up or down.”

GEORGE DALTON: But the end result of the Dubai World restructuring was that we came away with a reasonable solution that hopefully contains a positive outcome for all the creditors of Dubai in the region. Will people take some haircuts? Absolutely. But it’s not that they’re losing their entire debt. So, with that, I’ll turn this over to the panelists, and Jack will direct that aspect of things!

JACK FRIEDMAN: Let me thank you very much.

As the Chairman of the Roundtable, I rarely get involved with my experience, but there are certain things that are so relevant. During the oil embargo in the 1970s, I wrote a feature article for the *New York Times* Business section, which was entitled, “Who’s Afraid of Foreign Takeovers?” Because of the oil crisis, there was a fear that the oil money from OPEC would come into the United States and buy it up. There was a huge cartoon from the *Times* with Little Red Riding Hood and her basket containing a steel mill, a bank vault, and an airplane. There was a wolf in an Arab *keffiyeh* looking around behind a tree at her basket. This, of course, would not be acceptable today. The journalist Walter Cronkite spent five minutes on his national show discussing the article. The point was, “What vulnerability did the U.S. have?”

The article’s conclusion was, and it’s the same conclusion today, that if anything *really* affects national security, there are laws on the books that give the Defense Department the opportunity to stop the

deal, regardless of the legal technicalities. That would take care of the issue. There is nobody who’s going to go against DOD. So, the article calmed things down.



Later, in the ‘80s, many were afraid that Japanese business was going to take over America. It was buying up Rockefeller Center and other assets. I had the privilege of being asked to write a speech addressing the issue for the Japanese ambassador to the U.S. Basically what the speech said was that Japan can be dynamic for many years, but it’ll have problems, too. Japan will not always continue going up rapidly to dominate the world economy. Now we have a similar idea, that somehow China is going to be always successful and go up forever, and take over the world economy.

I’m struck that a basic theme that George is discussing is that people often don’t understand that foreigners can come from a country which is *very* friendly to the United States: They want to have good commercial relations with the United States and don’t have agendas to somehow dominate this country.

I’d like to move to Bill Urquhart, a litigator who affects not only legal strategy, but also business strategy. He gets results that are good for the business. Bill, why don’t you tell us your comments and observations?

WILLIAM URQUHART: Well, I’ll start with George’s last topic, which was the restructuring of Dubai World’s debt. This was a couple of years ago. My wife and children and I were here in New York City for Thanksgiving, and normally I always leave my cell phone on at night in case one of the kids crashes a car or whatever. But since they were all in the same hotel with me, I decided that I was going to turn my cell phone off, and I put it in the bathroom to be recharged. I woke up in the morning and I literally must have had twelve missed phone calls from George.

JACK FRIEDMAN: Where were you?

WILLIAM URQUHART: On Central Park South at the Essex House. Then I go to my Blackberry, and I have about ten messages – “Call me,” “call me,” “call me.” Which I did. This was Thanksgiving day and within five minutes of that call, I was on the phone with Bryant over there, and five minutes later, Augusto was on the call. It was sort of a remarkable event, because completely by surprise, some government officials had made a pronouncement apropos of nothing – right, George? That the government was not going to stand behind the debt of Dubai World and the other sovereign-owned entities. It sent the markets spinning. If *The Wall Street Journal* published on Thanksgiving, which it didn’t, it would have said, “Dubai World Crisis Threatens the World Economy.”

But in any event, in the course of – how long – maybe fifteen hours, we were on the phone together most of Thanksgiving. We were all struggling with what to do, and when I first became involved, they were actually thinking of filing for a Chapter 11 bankruptcy in Delaware, because the fear was that some of the hedge funds which had purchased some of the debt might force Dubai World into bankruptcy.

We all started talking about it, and I don’t know whose idea it was, but I said, “Why can’t you file in Dubai,” and then George explained and Bryant explained why we



can't do that. But the principal reason was that they didn't have the equivalent of Chapter 11, debtor in possession. So somehow or another, somebody suggested on the phone call, "Well, can you change the law?" At that point, Susheel Kirpalani, who's the head of our restructuring group, and Mitch were called and we turned it over to them. It was literally, from Thanksgiving about five o'clock in the evening, to Sunday when these guys finished redrafting the entirety of the first draft of the document.

BRYANT EDWARDS: Oh, yes, a little longer than that, but it was over about seven to ten days that the idea of Decree 57 came into being until it was actually signed into law by Sheikh Mohammed, the ruler of Dubai. Mitch, you might want to talk a little bit about the overall construct of Decree 57.

MITCHELL SEIDER: I'd be happy to. Thanks, Bryant. It was drafted in about seven days, and on the eighth day, the ruler signed it, and I don't think there's any analogy there! That's what my timesheet shows, though!

What we really faced was, as Bill was just describing, a problem at short notice. That

is, frequently, in order for a company to restructure its obligations out of court, it has to have the ability to say to its creditors and other constituents, "If we're not able to do this out of court, there's an inquest process that we're going to have to access, and that's going to make things uncertain. It's going to make things expensive. It's going to make things take a lot of time." But that threat, or that possibility, didn't exist, because under the existing law in the UAE at that time, there was no mechanism for an enterprise like Dubai World to restructure through a court process, and so we had to create one.

The challenge was that there was an existing commercial regime that was applicable in Dubai: the sovereign, federal law of the UAE. There was also the — I'll call it "overhang," for lack of a better term — of English insolvency law principle, because many of the legal principles in the region have their roots at a time when the English were the colonizers of the area.

Now, at that time in 2009, English insolvency law did not lend itself particularly well to the restructuring of a company's obligations through an in-court process, particularly from the perspective of the

company. So what we set about to do, with the help of lawyers in our London office and our Dubai office, was to draft a new law that would incorporate the stuff of the U.S. Bankruptcy Code that makes it possible for companies to reorganize and for companies to actually have leverage in the restructuring process when they are in court.

We quickly focused on what are the several ingredients in the U.S. Bankruptcy Code that make it work from the perspective of a company that is reorganizing. I know that many of you today are going to receive CLE credit for this, so I'll spend just a minute getting some of the technicalities.

We looked at these special things and we thought about the automatic stay that prevents creditors, whether they are secured or unsecured, from taking action against a company that has filed a process, to collect on their claims and what the process is and initiate it. We also focused on granting the company that is reorganizing the exclusive right to determine what the plan of reorganization will be, and then to seek approval of that plan of reorganization. That's known in the U.S. Bankruptcy Code as exclusivity.

We also needed a mechanism that would allow the company as a planned proponent to bind dissidents within a particular class if others in the class, by a requisite majority, voted in favor of the plan. So that sort of ends the problem that frequently occurred in out-of-court restructuring.

We also needed to have a mechanism in place that would allow the company to have its plan approved above the objections of one or more entire classes, and the utility of that is that it brings recalcitrant creditors to the table and makes them participate in a consensual negotiation for the restructuring of their obligations.

We also needed the ability for the company to be able to borrow money after the filing of the proceeding, be it on a secured or unsecured basis, and even, if necessary, to

borrow new money on a senior secured basis with liens ahead of liens that may have existed at the time of the filing.

We also needed to give the company the ability to sell assets subject to liens, free and clear of liens, and the ability to accept or reject executory contracts – contracts that were still in the middle of their performance, as the dictates of the business might warrant, so that if a contract was burdensome, there would be the ability for the company to go to its counterparty and say, “This contract really isn’t working for us. We’re paying you too much; it lasts too long; we need to restructure it; and if you don’t want to restructure the terms, we’ll simply reject it and you’ll have a claim for breach that will be unsecured, and that’s it.”

Then the next step was to figure out, since we’ve been given this almost magic wand-like slate: what, from the company’s perspective, are the things in the U.S. Bankruptcy Code that if you were the home team, you would change to make it even more friendly from the perspective of the company that was restructuring. So we took some of these principles of U.S. restructuring law, and we tweaked them a little bit.

With the automatic stay, we made it much easier for the company to go out and have that stay extended to non-debtor affiliates and to other entities, so the creditors of *those* entities would be prevented from seizing assets that were perhaps necessary for the company itself to reorganize.

With respect to the exclusive right to file a plan, we made it so that the company could, in essence, continue it virtually in perpetuity, whereas in the United States, it’s capped at a maximum of 270 days. Having that exclusive right to file a plan gives enormous leverage to a company in terms of dictating what the plan will be, and bringing creditors to the table around the plan, because they don’t really have a credible threat to file their own plan.



On the rejection and assumption of executory leases, we created a provision that, unlike the law in the U.S., would allow for the company to cherry-pick through a master lease that governs multiple contracts. In the U.S., as a general matter, if you have a master lease, for instance covering multiple parcels of real property, that contract either has to be accepted – that is, assumed – or rejected, in its entirety. Under Decree 57, the company had the option of going through and cherry-picking on a parcel-by-parcel basis, which would, of course, give it significant leverage with the master lessor if that became necessary.

On the exclusive right to file a plan of reorganization, as I noted a moment ago, we made the potential for unlimited extensions possible. On the provisions to cram down the plan above the objection of dissenting classes, we made it much easier for the company to bind a class of dissenting secured creditors than would be the case in the United States.

Just to get into the technicalities so that everybody can feel super-good about the CLE credit: in the United States, the Bankruptcy Code says that if you have a class of secured creditors and you want to

impose the plan above their objection, you must essentially give them one of three things, and then there are always going to be fights in the bankruptcy court about whether those things that you’ve offered actually fit within the definition that’s provided in the Bankruptcy Code.

Under Decree 57, as is actually the case in the United States, if the treatment that you are receiving under the plan leaves you unimpaired, then you are deemed to have accepted the plan, and you’re not in a position to object to it. So what we did was we took the provisions of the U.S. Bankruptcy Code and set out that menu of what secured creditors must get to have a plan imposed above their objection and move them over into the category of unimpairment, so that if they were receiving one of the menu items, they would be deemed under Decree 57 to be unimpaired, and therefore would be deemed to accept, and therefore would have little standing, if any, to object to the plan.

While it was a much more complicated and lengthy process than it may have sounded in the last five or ten minutes or so, that’s the guts of it, if you will, in terms of what we accomplished over this relatively compressed period of time.

JACK FRIEDMAN: Could I ask a quick question? We recently had a program on the Eurozone crisis, and one of the litigators on the panel said that everybody was afraid of where different creditor groups would go to get jurisdiction and that a government might say, “I don’t care what the contract says; this is too important for our country.” So, if the contract said it will be arbitrated in France, the government somewhere will say, “Tough luck, everybody, it’s in our courts, under our law, because this is national sovereignty and critical to the well-being of our country.”

So, I get as the theme of what you’re saying, that it was basically underlying the same fear; that somehow people would start running around filing here or there,

and suddenly everybody would be arguing, “Why are we here?”

WILLIAM URQUHART: That’s exactly right.

JACK FRIEDMAN: Problems of international litigation!

WILLIAM URQUHART: One thing that we shouldn’t lose sight of here is Augusto was in the middle of all of this. He was on the phone, probably the only non-lawyer that was on the phone call.

JACK FRIEDMAN: What is the pain and suffering of having to deal with lawyers?

WILLIAM URQUHART: Well, people began calling him “the baby-faced assassin.” He looked so nice, and he *is* so nice, but somehow or another, he grabs people’s arms and twists them behind their backs and then all of a sudden, they do things that they never thought they would ever do.

AUGUSTO SASSO: Well, you guys, you helped. You gave me this impossible tool that if you didn’t agree with me, I just said, “Well, I’m just going to use Decree 57.” Then let’s sit down and talk. So, it’s important to realize – and George hit on it – we were trying, at the end of the day, to come to some kind of stable consensual position. So, at the end of the day, no one wanted this thing to melt down and no one wanted to file in any court. We didn’t want it; the government didn’t want it; the company didn’t want it; lawyers didn’t want it. I mean, maybe the lawyers wanted it. But *most* of us did not want to have that happen. For sure, the creditors didn’t want it. But when faced with the alternative, I don’t even think legally we had the right to file in the Dubai courts, much less even know what that looked like. So, we needed a tool that could be a guideline so that if we *couldn’t* get to the consensual deal, we had an option.

That’s ultimately why – I mean, not to comment too much on the Eurozone – it’s ultimately why we were able to get to a



conclusion, is that we *had* an alternative. So when you all sit down in a room and there were 96 banks, there was a lot of sitting down and a lot of people. But when you all got in the same room, once everyone understood what Decree 57 was, and there were some growing pains – most people didn’t like it when it first came out. Ultimately, it’s interesting. You fast-forward three or four months after that, and just about everyone thought it was actually a pretty good concept.

Once they had a chance to understand it, it formed the basis under which you could actually have a negotiation. So, without it, we would have never, ever restructured, because I don’t think we ever would have. It would have been impossible. We had too many threatening forces that were coming together at the same time, and there was no way to really have a rational conversation with so many different types of creditors. Truly, there were many different types of creditors. The restructuring was still one of the most complex, and the negotiation was one of the most difficult I’ve ever done – but honestly, one of the most difficult done in the restructuring world in a consensual way. But it would have been *impossible* without Decree 57.

JACK FRIEDMAN: What are the different rights that different types of banks have under their lending agreements? One bank has this right and another has something different, the loan agreements aren’t fungible or interchangeable. So how do you get them to agree that, “We’ll all work together and not assert our special rights versus your special rights”?

AUGUSTO SASSO: Well, the rights are oftentimes – to the extent they have rights – tied to some fundamental assets. Whether secured, or whether they’re looking at a certain level of cash flows, or whether they’re in a certain part of the organization that allows them to look at certain subsidiaries vs. others. But one of the first things we had to do, frankly – with George’s help and everyone here’s help, and a lot of people back in Dubai – was understand what the company really was and what it was worth and what it really – I don’t think anyone really had a true appreciation except for maybe George.

But I still remember, we have this, it was set on the table and it’s the organization chart. That was just the key entities. But there were *thousands* of entities below these



entities, but those are the ones that at least, I told to my team of ten guys, “Go value that.” They looked at me and said, “Are you kidding me? Not a chance.” But that’s the first thing we had to do. We had to figure out where all the assets were; we had to figure out where all the debt was. Then you could actually have a rational conversation: “Okay, right. Your loan is here. What does that mean?”

But before you could even do that, we had to actually understand what the lay of the land was.

JACK FRIEDMAN: The first step, while you’re doing all these other things, is to collect all the relevant documents and make sure that you have everything.

So let me ask you this interesting question – from a general counsel’s point of view, how hard is it to locate all the documents that make a situation difficult?

GEORGE DALTON: It works differently, depending upon companies, but at least in our company, it was quite decentralized. A lot of the documents rested with the business units. Other than the ones that were guaranteed by the parent

company, Dubai World, we had some of those – I hope we had all of those! But it was a collection process that went on intensively, with a lot of bodies being thrown at it for months. Then once you collected them, you had to understand what you had.

MITCHELL SEIDER: The bank’s retention policies are worse than ours.

JACK FRIEDMAN: Somebody told me that in the early part of the current U.S. crisis, when you look at all the documents, you’d be amazed at how imprecisely drafted they were for all kinds of matters. The drafters sometimes weren’t super careful, and they didn’t anticipate every eventuality, so you’re stuck with, “What is covered here?”

GEORGE DALTON: You had to look at the time. When Dubai was on the boom times, there certainly was less precision then. As things started getting a little bit shakier, you gained some more precision. Then of course, once we were going through the restructuring, that was examined with a fine-toothed comb by the creditors who were being impacted, predominantly the lenders. That was the big

first step – get the lenders on board – and then we felt that the other creditors would likely follow, which eventually happened.

But it was educating the lender group first, and the final restructuring document is a precise document.

AUGUSTO SASSO: Yes, extremely. What’s important to realize was that was Thanksgiving 2009. By July 2010, you actually had agreement from almost 100% of the creditors. It took a couple of months to get 100% across the line, but in a relatively short, I mean, an incredibly short amount of time, inside a month. What’s interesting is, prior to Thanksgiving, Greece was in the headlines. After Thanksgiving, we were the only ones in the headlines. Now Greece is still in the headlines! So the speed at which that was done, it really was fast. We had the right tools and we had the right team.

GEORGE DALTON: Talk about some of the factors that got it over the line so fast.

AUGUSTO SASSO: The important part about that specific deal was, we had to try to structure something that met a lot of different requirements. We started pooling creditors together into groups and saying, “Well, you’re central banks; we’ll treat you this way. You’re central banks; we’ll treat you that way. You central banks, we’ll treat you that way.” We had to try to craft something that works for all those different groups. Ultimately, that was the solution that we all worked together to come up with: a structure that allowed for tiering of debt and different – almost like a Chinese menu that you could take this interest rate and pick, or this in cash – and it was a way, frankly, to help the banks minimize the amount of near-term impact they had to take, because ultimately the solution for Dubai World was time. So you had a bunch of assets which at that moment in time were valued extremely lower than they should have been. But if you gave the asset time for values to recover and for things to happen internally within the company, you

could actually recover 100% of your creditors, and even more than that.

So time was key, so we had to structure something that gave everybody time without unfairly hitting one set of creditors vs. the others, with the backdrop that if it didn't work and we couldn't agree, as long as we got two-thirds of one class to agree, we were going to do it anyway – which allowed us the ability, frankly, to do it consensually with 100% agreement.

GEORGE DALTON: One point on the timing. All of us around this table have both laughed and cried about it, but when we were initially given the assignment, the government gave us four to six months. I was accused of being a pessimist, which normally I'm not. It's not my personality. I said, "Look, it's going to take at least a year." And as Augusto pointed out, within seven months, we were getting there. We weren't there yet. But we were certainly making progress – I thought we were moving at the speed of sound. Yet that is the way – culturally in Dubai, they wanted this to happen yesterday. It was a very complex problem and during boom times, that's how things *did* happen! They would put up these massive buildings very, very quickly. They expected to be able to do the same thing on restructuring this debt, in a very, very abbreviated period of time.

It took a little longer than the government wanted, but we got *where* they wanted us to get to.

MITCHELL SEIDER: The interesting part was, it wasn't long after that Bryant helped the government do a \$1.5 billion bond deal.

BRYANT EDWARDS: Yes, they were able, shortly after the deal was announced in principle, to hit the market again in October of 2010, and go borrow more sovereign debt from the international markets, and they repeated that in March of 2011 again. So it sent a very strong signal to the market. As soon as the



agreement in principle on Dubai World was announced and the bond offering that Dubai was back in business, Dubai was out of the headlines in a bad way and back into the headlines in a good way. The good news is that it really did turn the country's situation around from a very dire and a very negative situation to a very positive situation. When business is back, real estate is stabilized. A lot of the key businesses are very, very healthy at the moment in Dubai. It all goes back to the bold way in which Dubai World attacked this big issue and got it solved.

JACK FRIEDMAN: When you were underwriting, what type of calls would you get from the investor groups?

BRYANT EDWARDS: They were very concerned about honoring their obligations. I mean, culturally, in every way, they did not want to be seen as actually defaulting. They wanted to honor their obligations to people who had lent them money. To this day, there has not been a debt capital markets instrument in the UAE that has actually defaulted. The Nahkeel Sukuk were actually paid on time, in full, and there's never been a default of a public debt instrument. They're very serious about trying to keep that track record so they can continue to have the confidence of international investors.

GEORGE DALTON: Why don't you explain what a "Sukuk" is.

BRYANT EDWARDS: "Sukuk" is an Islamic form, it's really an Islamic bond. Nakheel, which is the big property unit, had \$5 to \$6 billion U.S. of Sukuk outstanding. All three series were paid – this was a company that had no right trying to repay those, but they took their obligations so seriously, they came up with the money to get those repaid on time.

JACK FRIEDMAN: How did they account for Islamic financing? How did they deal with the idea that you don't have interest? Is that their biggest difference?

BRYANT EDWARDS: That's a whole other topic, how they're structured to avoid the concept of interest. But for all intents and purposes, the market has recognized them essentially as bonds, and they treat them the same way as they treat conventional bonds. In the mix at Dubai World, we had both Sukuk and conventional bonds. They were all treated the same way.

AUGUSTO SASSO: They pay a dividend, which is akin to interest. They look and feel like debt instruments, but theoretically they are different.

JACK FRIEDMAN: What is the psychology of banks when you're doing a restructuring? First, of course, is, "Will we be repaid?" Also, "We don't want to have to put a write-off on our books."

AUGUSTO SASSO: Jack, banks don't like me very much. They've never really liked me.

JACK FRIEDMAN: Do you make a living based on the fact that you have a reputation for being tough?

AUGUSTO SASSO: Look, I'm going to choose my words carefully. Banks are having to reinvent themselves, so the way banks used to lend is over. The way banks

are going to lend going forward is going to be very, very different. They're going to lend less, and they're going to lend in a more structured way. At least I *hope* they learned their lesson. We'll see if they actually did or did not learn their lesson.

Remember, at the time when this happened, banks were seeing write-downs from a million different directions. So if you were thinking about your capital ratios, you were trying to find a way to make it from financial statement to financial statement.

So at the time — which, by the way, they have since evolved a little bit and now they're back to it again — at the time, having to take a write-down was the one most important thing the bank had to avoid. If they have to take a write-down on their balance sheet, then they may or may not be able to hit their capital ratios on a quarterly or annual basis and they have to actually raise equity, and if that spiral continues to happen and they take more and more write-downs, and you can't raise enough equity, your bank could eventually go bankrupt. A Lehman could happen to any bank at any time if, in fact, I've got to write my assets down too fast.

So at the time, it was clear that the banks were just trying to find a way not to write down the assets. Since then, we did a major change in the way this company is actually managed now. There's a new board. There's something called a "New Management Committee" that includes bank representation. The banks are kept abreast as to how the company is operating and what decisions are happening internally.

Now, the banks are really being forced to act almost like active stakeholders. So they have to actually help manage the company to get their value back. So, without getting into specific numbers, because it's not public, the assets of the company, like I said, will be worth a lot more over the passage of time. They need to help manage the

“I actually thought I knew what our political process was; I realized that I didn't. It was somewhat similar to the fact that Congress doesn't know much about how transportation works, and more importantly, how security works.”

— George Dalton

company so that over that passage of time, we can get to that value.

JACK FRIEDMAN: What's just an example of "manage the company"?

AUGUSTO SASSO: Decide whether or not money that's generated within the conglomerate should go back up to the lenders to pay down debt, or should it go back into an asset; for example, to fix an asset. So that's an ongoing decision the banks have to do.

JACK FRIEDMAN: That's almost unheard of, traditionally, in banks. They're very hands-off.

AUGUSTO SASSO: It's not totally unheard of. But what was important to realize is at the time, for them, it was 100% about not taking a write-down. So we could have structured the deal very differently. We could have structured the deal to actually have a write-down on day one.

JACK FRIEDMAN: Why stretch things out? Is it that they don't take a write off?

AUGUSTO SASSO: Not necessarily. It depends. But how you stretch it out depends on, if you take a piece of debt and you stretch out the maturity, then by definition, they should theoretically have a write-down because the present value is lower. But there are ways you can structure it with rates and other things you can do to actually make the write-down less. So that was the motivation.

But we learned something — the company learned something: that ultimately banks

are, they're financial animals, and they're going to do whatever they have to do financially to survive. So the company learned a valuable lesson, and going forward, Dubai has learned a valuable lesson on how to deal with banks. You need to have a very clear understanding of what the arrangement is between you and them, and prior to 2008, that was very blurry, and it was very unclear as to what the relationship was.

One of the things the government wanted to do coming out of this is send a strong signal that it's time to start being clear. So, CityCenter was a perfect example. We had this very fuzzy reason why Dubai World decided not to continue to fund CityCenter. It's very simple. We were funding into a hole, and the banks were not forced to fund. Look, it was unprecedented. We went in a room with the banks and said, "We know that we're contractually required to continue to fund, but we're not! It's a half-built casino in Las Vegas. Good luck with that." Their answer was, we got yelled at for two weeks, and they said, "Well, what would it take to get you to fund?" It was very simple. "We want you on the hook as much as us. So, we want you to fund into a lockbox, and we'll fund into a lockbox, and we'll do it together, and one day we'll get out of this on the other side." Sure enough, we did it, they did it, and one year later we refinanced it, and the same banks and the same financial institutions were *dying* to get into the new financing, because all of a sudden the asset was doing great!

But it proved a point, which is banks and companies now are fighting this, and we're seeing this — in Europe — we're seeing it everywhere. There was no alignment.

Now there's clear alignment. You're not just going to be the only guy that survived because you're a creditor, because if we fail, we both fail.

So, it worked out on CityCenter; it's worked out on Dubai World. Bryant's involved in just about every restructuring or quasi-restructuring going on in the Middle East. That same model is now being carried forward. So you see it on Dubai Holdings, you see it on DIC, you see it on restructurings in Abu Dhabi. Everyone's doing the exact same thing, which is, "How do we structure something so that we can really look to the value of the asset and figure out over time how we can all get some recovery?"

JACK FRIEDMAN: There are many situations where you don't want to assert the full strength of your legal position and use all the tactics you can use to make it difficult for the other side. A client may have reputational issues, such as wanting to settle because it has relations with customers, or politicians.

If you have a situation where you have to work with bank creditors in the long run or cooperate with a joint venture partner, what are some of the considerations you have in discussing it with the client? Please give us an idea of your constraints as a legal advisor to a business.

WILLIAM URQUHART: What you're really saying is – I always have viewed litigation as a tool for the businesspeople. Like litigation for the sake of litigation, that's what plaintiff lawyers do. But mostly we represent big companies, and big companies are first and foremost interested in their business. So, for example, Augusto brought up CityCenter. I received a phone call from George, and George said that their partner in the CityCenter, MGM – the casino company, not the movie company – issued a 10 K with a "going concern" opinion. For those of you who aren't bankruptcy lawyers, a "going concern" opinion means that basically you are



bankrupt but you're not formally declaring bankruptcy. George said, "We can use that as a hook to file a lawsuit in which we would ask for declaratory relief, that Dubai World wasn't obligated to make their funding requirements."

But from the day that that was conceived until the end, we never thought the litigation would go anyplace other than where it did go, which was a business solution. It was like reaching out to a gigantic doorbell and saying, "Hello, loan people; I know you're busy and you have 80 million things going on, but we want your attention and we want your attention now." So all we did was ring the doorbell, and then in came the deal lawyers, and Augusto, the baby-faced assassin, to twist even more arms. Maybe you guys can explain, after what he filed in the lawsuit – I mean, it was amazing how quickly they reacted.

GEORGE DALTON: One of the things that we were very worried about was that Dubai World was going through its own problems at that point in time. We didn't need another problem with the massive investment that we had in CityCenter and in the MGM shares of stock that we owned at that point and we still own a lot of shares of MGM. We were concerned that MGM filed for this bankruptcy in Nevada, not exactly home turf for us, and we felt that that is not the place that we

wanted to be adjudicated. So we filed in Delaware as a protective move, and we felt that that would be at least an equitable jurisdiction, not to disparage Nevada, but MGM is its largest employer, its largest taxpayer and its largest political contributor. So, we just didn't think that was a good home court.

JACK FRIEDMAN: Were you overwhelmed with trying to figure out all the different players you were going to have to bring in quickly?

GEORGE DALTON: On the MGM side?

JACK FRIEDMAN: The other was the bigger one, the restructuring. Also, that was even more time-sensitive, from what I gather.

GEORGE DALTON: Well, the MGM one was clearly a lot less complex, although its ramifications were quite large, as well. A bankruptcy for either company, was not a good thing. Certainly MGM didn't want to go there, nor Dubai World. But MGM's stock had plummeted from where we bought it at an average \$80 a share. It went down as low as \$6?

MITCHELL SEIDER: Yes, \$5.

JACK FRIEDMAN: A 90% loss!

AUGUSTO SASSO: When you put this in perspective, MGM, the CityCenter was, and I think still is, the largest private development in the history of the world, right?

JACK FRIEDMAN: What is the total cost of that project, by the way?

AUGUSTO SASSO: Nine billion, \$9.4 billion.

JACK FRIEDMAN: What is that project for those who don't know?

AUGUSTO SASSO: It's got five towers. It's a condo development, hotel/casino, large retail.

JACK FRIEDMAN: A shopping center, the whole shebang?

AUGUSTO SASSO: All of Las Vegas in the one site, basically with multiple hotels. It's a huge project. It was an ambitious project. It was done at a time when the gaming market was doing great and the interesting thing is the asset's actually done very, very well since it's been restructured. It really is a grade A asset, so really it's the likes of Wynn and the Venetian and those assets. So it's doing quite well. That market's recovered well. We got the refinancing done at that time; it was \$1.8 when we did the restructuring. They actually raised \$2 billion. So we did the refinancing and actually increased the debt load on the asset, because the capital was better than we had expected.

So it's a good example of how you can work your way out of a restructuring environment. So what I pride myself on the most — we did it on Fontainebleau, too. We restructured them and turned them around and we restructured them in a way, and that's the key to successful restructuring, for the lawyers in here who like to go back to the same company over and over again — the key to a successful restructuring is getting out and actually being an operating entity again. Those are both good examples of how those companies are doing quite well. The economy may change and they may tip

“...in my opinion had it been a U.S. public company, I don't think we would have been able to solve the problems. The speed with which we acted helped to calm everyone down.”
— George Dalton

in again. But for now, if things don't get better, if they just stay the way they are, those companies will all work well.

JACK FRIEDMAN: We have talked about the banks. What is the mentality of the trade, and what is the mentality of the customer? The “trade” always evokes the garment industry here in New York. When a retail store goes out of business, “The Trade” says, “Just get me cents on the dollar; I'm moving on.” So I don't know if that is the right image any more.

AUGUSTO SASSO: No, no. We're talking about contractors. So we're talking about large international contractors in some cases, and even very small, as George mentioned, self-employed contractors. So the claims were contractor claims, unpaid contractors, and then customers who had made cash deposits on real estate assets that had not yet been delivered.

JACK FRIEDMAN: Things like condos and the equivalent?

AUGUSTO SASSO: Condos, homes, very different from bank financial creditors, because ultimately, you need to continue a working relationship with trade creditors.

JACK FRIEDMAN: You need to fund them even during the bankruptcy?

AUGUSTO SASSO: You may have to. So there's the whole process of figuring out which ones are critical and which ones are not critical, which is not dissimilar to what we do in the U.S. on an 11 process.

Again, part of the solution on Dubai World was actually being able to finish things, complete things, create value over time. You

actually need those people to be involved. If you don't have customers, you are not selling anything, then you're not creating a value. So there, it was different. There, it was about actually trying to get some capital and for the contractors, it was about trying to get some cash in their hands. Ultimately, it was a security that they could turn into cash later. For the customers, it was about getting their assets completed. So, I've got money invested in this asset; what I ultimately want is my asset so I can generate some revenue or sell it or do something with it.

GEORGE DALTON: Which you had to pay the contractors in order to do.

AUGUSTO SASSO: Right.

JACK FRIEDMAN: A contractor basically says, “Pay me enough now for the past, and then going forward. I want to make sure I don't go deeper in debt.”

GEORGE DALTON: Right. We have to keep in mind, also, that these contractors have been working in Dubai during the boom years and have done extremely well. They also would like to come back when the boom years come back again. I don't know when that will be, but you've got a lot of contractors that were willing to work with us because, again, they've done well; they think Dubai will continue to grow at some point, once the economy changes around; and they'd like to be there.

AUGUSTO SASSO: It's actually interesting. One of the largest contractors — without giving the names — one of the largest contractors is owned by a company that recently announced another deal with Dubai. So it shows how you can work together, both investing in an asset, significant investment, each putting a lot of money into it. It also

shows how you can do it in such a way that you're still at the table together, working.

JACK FRIEDMAN: There's a saying in bankruptcy, that creditors or investors, when they're afraid of being wiped out, are emotional, almost hysterical, and angry at the beginning of the process. Shock, anger, hysteria, revenge — they go through the whole list of negative emotions. Later they calm down, and all they want to know is, "How much money am I going to get out of this situation?"

So they'll quickly go from the emotional stage to dollars and cents. Does the panel agree that is the course of things? It comes down to money!

MITCHELL SEIDER: There are actually five states! You start in denial and you end up with resolutions!

JACK FRIEDMAN: Bryant, you have worked in L.A. with a broad practice. Then you worked in London, and then in Dubai. What are your thoughts about your high-yield field and the restructuring field? These fields are always changing.

BRYANT EDWARDS: Well, it just shows the power of an idea, an idea that started really in Los Angeles with Michael Milken and Drexel, that capital was powerful; that if you could get enough capital, you could fund companies that could take over other companies. It essentially restructured the American corporate world in the 1980s, because every company, as a result of this, became vulnerable to takeover. You saw that move into Europe in the late '90s and 2000s, and the same effect there. It had a very powerful effect. You see in the capital markets now moving into the Middle East, not only sovereign debt, but last year you saw the full range of sovereign, quasi-sovereign, high-grade corporate and non-investment grade, high-yield bonds, for the very first time.

It's important, because the companies in the Middle East have been funded to date

primarily by local banks that have been lending on submarket terms, as a result of themselves being essentially subsidized by their owners and by the government.

That is all going to change in the next few years, and it'll be a much more market-based economy. The international capital markets will play a bigger role. That's generating demand in the Middle East for the type of legal reform that we're talking about today, that D57 should be applied throughout the region. Corporate law needs to change. Securities, the whole panoply will change over time in the Middle East — not only in the Middle East, but in other developing markets, like Asia and Eastern Europe.

JACK FRIEDMAN: There's always conversation about the U.S. competing with other world markets for deals and listings. Can you tell us a little bit about the future of Europe vs. the U.S., especially given the current situation in Europe?

BRYANT EDWARDS: Who's going to emerge as the world's financial capital? It's all up for grabs right now, and London has taken some of the wind out of New York in recent years, but London's got its own problems now, and a lot of capital is moving to Asia, to Singapore and Hong Kong, and the Middle East is a contender.

We're in a fascinating period, Jack, and the story is going to be written over the next couple of years: where the capital flows, where the financial markets are. Whether New York regains its status as the leading financial capital of the world — we hope, but the jury's still out on that.

JACK FRIEDMAN: Let us open the discussion to the audience. Go ahead, sir.

AUDIENCE MEMBER: What is the role of Abu Dhabi and are they guarantors of Dubai's debt?

BRYANT EDWARDS: There's no official role between Abu Dhabi and Dubai, and



they're not a guarantor, nor are they implicitly or explicitly involved in Dubai World or any of the Dubai entities, for that matter. There's no relationship, other than they are both states of the same country. From a financial perspective, there's no intercourse.

Now, *separately*, Abu Dhabi provided a *loan* to Dubai as part of the global restructuring of Dubai. But there's no connection between Abu Dhabi and any entity. Did I say that right?

GEORGE DALTON: Yes. Abu Dhabi provides funding for an entity called "The Dubai Financial Support Fund," which used some of the proceeds of that to inject money into Dubai World and some of the other Dubai situations. But that relationship is purely a loan between Abu Dhabi and this particular fund.

AUDIENCE MEMBER: If Dubai World had been a U.S. public entity, would the restructuring have been easier, harder, or the same?

GEORGE DALTON: That's a great question and a very difficult one, so I'll ask the others. But in my opinion had it been a U.S. public company, I don't think we would have been able to solve the problems. The speed with which we acted helped to calm everyone down. They saw a

very aggressive approach to trying to reach out to the various creditors. We would have had a much more difficult time if we had thousands of shareholders to also deal with. But I'm sure Augusto or Bryant or someone could easily disagree with that!

BRYANT EDWARDS: Yes. I agree with George. It would have been a lot harder. We would have been in an 11 process. We'd still be in court. Lehman's going to be dealing with its things for 20 years, probably. That would have been Dubai World. It's just way too complex to try to drag through a court process. It really needed to be done consensually. We needed the *ability* to force a court process if we had to do it. But it needed to be done consensually. It was the right way to do it.

AUDIENCE MEMBER: From the Dubai Ports crisis in Washington, has there been more of an education of the American populace and Congress about the role of the UAE and its relationship with the United States?

GEORGE DALTON: I think the answer to that is "Yes." Myself and a number of my colleagues have spent a lot of time in Washington. I actually thought I knew what our political process was; I realized that I didn't. It was somewhat similar to the fact that Congress doesn't know much about how transportation works, and more importantly, how security works.

AUDIENCE MEMBER: Did that effort make it easier to solve some of the subsequent problems?

GEORGE DALTON: The answer, again, is "Yes." I believe that there clearly was some naiveté by Dubai World, by Dubai Ports, even with our high-priced advisors. Don't get me wrong – we didn't think that there was going to be any kind of a political backlash about the acquisition of P&O Ports. There should not have been a backlash but we were obviously wrong. That was somewhat naïve on our part, because we felt that we had followed all the rules.

To back up a second, for the British aspect, we had to go through the London Stock Exchange approval process for their shareholders. Many people here know, we also had to go through an additional court approval process, because P&O Ports was one of the three remaining companies chartered by the Queen. So aside from shareholder approval, you also had to get court approval, which we did. We also had a challenge from an American partner of P&O, a very small one in Miami, who went into court and tried to stop the deal, and they were shut down. So, the transparency that developed out of that deal was actually beneficial in the long-term for Dubai. Some of our communications and marketing folks think it's the best thing that has ever happened.

AUGUSTO SASSO: Some of the first people that reached out to us and to His Highness when we actually announced a plan for a restructuring was Tim Geithner and Gordon Brown. They all have reached out. They were all very supportive; they were all telling us that we could get help. The relationship had a big part, and that was as a result of the last three years, where you really tried to develop that again.

AUDIENCE MEMBER: If Dubai Ports came about today, after the Arab Spring, would we have the same kind of volatile situation and objections in Congress?

GEORGE DALTON: I actually think that we wouldn't. But from a two-step process, the amount of work that the UAE has done in Washington has changed things. There's been a consistent education process about who the UAE is and who Dubai is. Again, I spent a lot of time in D.C. trying to do the same thing. Much of that is just meeting with our congressmen and our representatives. Most of the time, when you take it outside of the political arena and political expediency, our congressmen will look at this in a fairer way. The Arab Spring sent a message to the United States that there is a desire for more equality and more transparency in the Arab world. You

have to remember, too, that the UAE is a very young country. If you think about how long it took the United States to get to where we are versus how long it's taken the UAE to get to where they are, it makes for an interesting story. Frankly, the UAE has made *incredible* progress in a very, very short period of time. Not just commercially, not just with the tallest buildings in the world and the biggest Palm Islands, but as Bryant alluded to earlier, a lot of new laws in securities, on legal ethics, on transparency of company records. A lot of that is still in play and is still progressing. But I think there's a real will from the leaders of the UAE and from the commercial entities there to make that happen.

JACK FRIEDMAN: Could one of you comment on what is the UAE, a little more in depth?

GEORGE DALTON: The United Arab Emirates is a confederation of seven city-states, with Dubai and Abu Dhabi being the two primary ones, with others like Ras Al Khaimah Sharjah and others being part of it. Certain laws and governance take place at the Federal level, while others are reserved for an individual Emirate. Abu Dhabi clearly has the oil. Dubai previously had oil, but its nearly gone, so Dubai took the lead in terms of branching out into other business areas, such as tourism supported by Emirates Airlines, which I think is one of the best airlines in the world to fly, and it's certainly very successful on a global basis. Dubai Ports is a very sound and fundamental business. It's not real sexy, but it makes money and it's something that's always going to be needed.

The UAE sits somewhat in the center of the world. So, geographically, it's very conducive for trade between Asia and Europe, and hopefully eventually the United States, again, through the canal.

There are federal aspects to it which are the military, currency, postal services and things like that. Then each of the states,

if you will, each Emirate, also has its own local rules.

JACK FRIEDMAN: When you go into the L.A. Airport from L.A., there's a big sign that says, "Daily flight from Los Angeles to Dubai."

WILLIAM URQUHART: Twice a day, both ways.

JACK FRIEDMAN: Now twice a day?

WILLIAM URQUHART: Very long flights!

AUDIENCE MEMBER: I'm wondering, Mr. Dalton, if you could comment a bit on your role. Here we have all kinds of legal experts, but somebody had to manage all this. How could you do that and how was it possible to know what on Earth those people were doing, and direct them?

GEORGE DALTON: I'm not sure I did! No, really, when a group like this comes together with a common goal – and that's really what it was. I talk about teamwork and so forth, but this is one of the situations where that really did come into play. You had different functions. Certainly, Augusto, and there was a whole group of guys who were doing financial analysis, working with Moelis. The legal side of things was split up into various different parts, such as the litigation, such as Decree 57. The collection of documents was intense and massive, as was the analysis of those documents. But it really was just a group effort. I can't say I came close to managing all aspects of it. I don't think one person could, frankly.

BRYANT EDWARDS: Let me add that George is being very modest, and he deserves great credit for the success of the Dubai World restructuring. George had the confidence of the rulers of Dubai, as well as the bankers, of the various constituents, and it was George's very fair, calm demeanor, good analysis and great leadership that was a big factor in getting the



Dubai World restructuring done in such a successful way.

GEORGE DALTON: I didn't pay him! Well, not that much for that comment!

JACK FRIEDMAN: Bryant is not charging his hourly rate for those comments!

There's a gentleman here, go ahead, sir. Did you have a question? Go ahead.

AUDIENCE MEMBER: There was a crash course in bankruptcy just on the new law. Is the UAE moving ahead in other areas to create other laws in advance now, rather than having to wait until the occasion comes up?

GEORGE DALTON: It's a great question. It was a crash course for me in bankruptcy, as well. I hadn't had that experience, thankfully, too many times before. But with people like Mitch and Susheel and the Moelis guys working on this, it was not just a Dubai bankruptcy law. It was much more specific than that. Decree 57 targeted Dubai World. That's all it applies to. It applies to Dubai World and any of its subsidiaries. I'm going to turn it over to Bryant and Augusto as to where things stand now with moving forward.

I do think that the UAE has seen the great progress that came out of Decree 57. I think that anything you do, with all

due respect to Mitch and the guys who wrote this, anything you do that quickly is going to have some holes in it. So I think our experience will take that Decree 57 process, and hopefully turn that into a more comprehensive bankruptcy code that would apply and could be adopted by just Dubai or it could be put onto a federal level and adopted by the UAE.

BRYANT EDWARDS: Yes. There are a number of efforts to do this. In fact, Mitch, you're coming down to Dubai in December. There's a group called Haukima that is sponsoring a forum with Juris leading judges from twenty-one Arab countries that are all coming in to get a tutorial on this stuff. There's a number of efforts. The UAE fell down on the Doing Business rankings specifically because of an inadequate bankruptcy code, and believe me, there is a lot of high-level attention now being paid, because that ranking is very important to the UAE.

JACK FRIEDMAN: Who does those rankings, by the way?

BRYANT EDWARDS: That's Doing Business is the World Bank.

AUDIENCE MEMBER: With the debtor-friendly orientation of Decree 57, is there a fear that this bankruptcy regime could possibly end up scaring off creditors from taking part in lending?

WILLIAM URQUHART: I know Augusto will have views on this from a capital markets and capital raising perspective. From my perspective as a bankruptcy lawyer, the overwhelming majority at this time representing financial institutions wish to handle debt and capital restructure. Maybe the most important aspect of any bankruptcy regime for a lender is to know what the rules of the road are, and knowing with certainty that laws will be applied as they are written. Because once that confidence is there, then the lender can, of course, fall back on contract and trust in the contract. So it's really more a question, from my perspective, of transparency, of consistency and conformity, than it is necessarily what the statute may say.

Now obviously, if the statutes were confiscatory – which it's not and I don't believe it ever would be – that would be a different set of circumstances. But as long as it is enforced as it is written, you're 90% of the way there from the lender's perspective.

AUDIENCE MEMBER: The regime is the lender loses.

AUGUSTO SASSO: Just from a capital markets perspective, prior to this whole event, there was kind of this belief that the sovereign would somehow step in and fix all these problems, which was a completely naïve belief.

JACK FRIEDMAN: It was going to guarantee everything?

AUGUSTO SASSO: Right. This was completely naïve, because if someone had done the math they would have realized that there is not enough wealth in the region to cover the debts. So it was a bad idea. For a while, banks said, "Okay, how am I supposed to lend, because I don't know what the regime is."

Most companies and most banks have actually pushed, and in fact, there was a decree passed two weeks ago allowing all companies within Dubai access to what's called the DIFC, the financial center, to settle

“...if you look at what you're wearing, the devices in your pockets, the glassware up here; everything moves through that marine supply chain, with some exceptions on the air side. But the marine supply chain vastly outstrips the air supply in terms of volume.” — George Dalton

disputes. This is the first step of Dubai trying to come up with its own commercial code if the UAE doesn't move fast enough, for that very reason – because banks – they *want* to lend. They just want to know what jurisdiction, what court, what are the rules going to be? If now the halo is gone, I'm not going to lend at all. Because if what you're telling me is that my backdrop is the Dubai courts, I'm out of the market. Because the Dubai court is nothing more than a forced liquidation within a certain amount of time, and I'm not going to do that.

So it's just the opposite: now we *have* to provide some structure. Decree 57 was very debtor-friendly. It was exactly the right thing to do in a crisis. I sit on a committee with Abu Dhabi right now, thinking about the commercial code. I would not, as a practitioner that *used* Decree 57, I would not say that's the right basis for a new commercial code in the UAE. But elements of it will get incorporated into the UAE code.

So what you're going to find, ultimately, the new commercial code will be somewhere in between, call it, Decree 57 and maybe Chapter 11, but with the ability to have a little bit more of a scheme or arrangement-type angle, as well. But long-term, what's clear is, we need something. Otherwise, there will be no lending.

JACK FRIEDMAN: I wrote a *Law Review* article which went through every case in the 20th Century until the 1990s that affected secured creditors in Chapter 11 bankruptcy cases. In the United States, secured creditors have incredibly powerful rights. Are there security rights under this new bankruptcy thing? That's what the banks really want to know!

GEORGE DALTON: There's security in the UAE.

JACK FRIEDMAN: It's hard to just take the collateral away.

GEORGE DALTON: That's right.

JACK FRIEDMAN: That is the most essential issue for the banks.

GEORGE DALTON: I just want one addition to that, too. While it is a debtor-friendly decree, the very few cases that have actually gone before the tribunal that was set up under Decree 57 – which have been very small creditors, not lenders, but very small creditors – have actually, most of them – perhaps all of them, at this point – gone *against* the debtor and in favor of the claimant. So, the tribunal is trying to do this in a very equitable and fair-handed manner.

AUDIENCE MEMBER: If we're going to have a regime in which the large bank losses are going to be covered by the government in some way, or some deals with the government, then what incentive do they really have, ultimately, to change? The smaller banks are in a different realm altogether anyhow, so it's really a question of the larger banks' lending policy.

AUGUSTO SASSO: I'll try to explain to you what I mean. I do think that, at least in the emerging markets, what we're seeing right now is banks are changing the way they lend in the emerging markets. So, they're lending less; they're lending more on a secure basis as opposed to an unsecured basis. The unsecured bank money market is gone and I don't think it's

going to come back *ever* in the Middle East or in the emerging markets.

They're lending less, lending on a secured basis. There are loans, not to get specific, with banks that don't even have agreements, literally don't have paperwork.

JACK FRIEDMAN: Now, or before?

AUGUSTO SASSO: Before. So that's not going to happen going forward. Now you're actually seeing some sense of discipline in the system, if for no other reason than, and maybe it's personally motivated, they don't want to have to write the loan off in the first year of the loan being made, and that may be the reason why they're doing it. It may be solely motivated by a banker's bonus, and I agree with you, there's an inherent problem in the banking system in that you can take risks and you can hand it up to someone else to actually write down, which is a great idea for a panel one day and I'd love to be part of that, because I always love talking about what the banks are doing.

JACK FRIEDMAN: I'm running to our office to get a letter out to you, inviting you to speak!

AUGUSTO SASSO: But I do think when it comes to the emerging markets, banks are taking a more cynical view than they ever have. So emerging markets, it used to be the royal family could just borrow money

on their halo that "one day I'll pay it back." Those days are gone. I don't see those days coming back any time soon. I really don't. I've seen situations where it would make huge financial incentives for XYZ Bank to do it, and they won't do it. Which is, honestly, one of the problems emerging markets are going to have, because the large debt levels that are primarily bank-financed that are coming due over the next five years are not going to be refinanced at the same level. Even with the fees that could be made, they're just not going to be refinanced at the same level. So it's going to create problems. It's going to create problems going forward.

I agree with you, in the U.S. and in Europe, I'm not sure they're going to learn the lessons. I actually do think in the emerging markets, and maybe it's selfishly motivated, they've learned a lot.

AUDIENCE MEMBER: Are there data privacy or other issues in the context of putting together all the deals and litigation globally?

GEORGE DALTON: You know, honestly, we considered those issues; but frankly, because of the number of countries that we were active in, we weren't able to do an assessment of each and every one of them. The problem was so overriding that I don't want to say we ignored it, but we didn't put it on a high-priority basis. We did have most of the data within Dubai in any case.

WILLIAM URQUHART: I know that we did consider the privacy issues, but frankly, there simply wasn't enough time to assess each of those. I don't know how many countries, but there were a lot and all their regulations, how that all applies.

JACK FRIEDMAN: Let me thank the Panel. It's just a part of my sense of humor, but I wanted to say that Bill Urquhart is very valuable, because one of the things I got out of this program is that as soon as he represents a litigant, everybody settles. So, it's a great reputation he has as a litigator.

I want to wind up with one quick thing. George used to be in the Lawyers' Basketball League in New York. I asked one of the lawyers here who was on a team with him, "What position did he play?" He said he was the shooter. This is a new position in basketball, and the Knicks or the Nets need a "shooter." So he'll be the generalist who runs around the court and they just give him the ball and he'll win the game.

GEORGE DALTON: My knees need to be replaced first!

JACK FRIEDMAN: It is important that there are good people in companies like Dubai World who are doing conscientious work, done in the right way. There is a human side to corporations. I want to thank George and the other panelists for educating us and sharing their wisdom.



Augusto Sasso
Managing Director

Augusto Sasso is a Managing Director and Co-Head of Middle East and North Africa (MENA) at Moelis & Company. Mr. Sasso has extensive diversified investment banking and real estate experience with Moelis & Company, Credit Suisse First Boston, Donaldson, Lufkin & Jenrette and Preservation Partners Development mainly focused on the Real Estate and Lodging, Gaming and Leisure industries. Previously, Mr. Sasso held various corporate finance and business development positions with Raytheon Company and

Hughes Electronics. Mr. Sasso joined Moelis & Company in July 2007 and has advised on a broad range of restructurings, mergers and acquisitions, joint venture partnerships and equity and debt financings and was honored as *Investment Dealers' Digest's* 2009 "40 Under 40."

Mr. Sasso holds a B.S. in Electrical Engineering from the University of California at Los Angeles. He graduated first in his class *magna cum laude* with an M.B.A. from the University of Arizona.

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A. William Urquhart

Partner

quinn emanuel trial lawyers

A. William Urquhart joined the firm in 1988. He began his career at the New York law firm of Cravath, Swaine & Moore. Mr. Urquhart specializes in complex business litigation. These matters range from high-stakes IP litigation to class actions. He has been named “One of California’s Most Successful Business Lawyers” by *California Law Business*, named “One of the Most Influential Attorneys in California” by *The Los Angeles Daily Journal*, chosen as one of the “Outstanding Trial Lawyers of America,” by *Chambers, U.S.A.*, chosen as a “Super Lawyer” by *Los Angeles Magazine*, listed as one of the world’s leading litigators in the *Euromoney Guide to the World’s Leading International Law Firms* and a recommended IP lawyer by *Chambers Global*. He has been called “exceptionally bright” by *Chambers Global*; a “forceful trial lawyer” who “commands a strong reputation in the litigation arena” (*Chambers USA*) and a “litigation celebrity” (*Vault 100 Guide*).

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- On behalf of a leading mutual fund, obtained dismissal of class action alleging client invested in illegal gambling operations.
- Obtained a \$100+ million award for an aerospace company in a breach of

contract/misappropriation of trade secret matter before London Court of International Arbitration.

- On behalf of a global telecommunications company, successfully resolved the largest IP dispute in U.S. history, acting as lead worldwide counsel in 18 separate litigations and three international arbitrations around the world.
- On behalf of Dubai World, resolved dispute with joint venture partner MGM over the funding of the CityCenter, one of the largest privately funded projects in U.S. history.
- Advised Dubai World in connection with the aftermath of the Emirate of Dubai’s announcement that it would not guarantee Dubai World’s debts.
- On behalf of Superior National obtained a \$137 million settlement from Health Net, on the eve of trial, arising out of alleged fraud in connection with the sale of several insurance companies.
- Obtained a \$15 million settlement from a financial advisor in a fraud case even though our client warranted it was not relying upon the advisor’s opinion.

Quinn Emanuel Urquhart & Sullivan, LLP

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over 600 lawyers in Los Angeles, New York, San Francisco, Silicon Valley, Chicago, Washington, D.C., Tokyo, London, Mannheim, and Moscow, we are the largest firm in the United States that only does business litigation. More to the point, we are the premier business trial firm; year in and year out – no firm tries as many business cases to juries as we do. And, we do it successfully: we have won five nine-figure jury verdicts in the last ten years. We have also obtained eight nine-figure and five ten-figure settlements. We achieved these results for plaintiffs even though most of our practice is on the defense side.

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know that they are facing an adversary that has the willingness and capability to see the matter through to verdict and to win. This is a rare capability in the present business litigation environment, in which jury trials – and experienced trial lawyers – are rare.

The General Counsel of a well-known internet company recently told one of our partners that he wanted to hire us because we “were responsible for making the business of litigation more competitive.” As he said, we are the “hungry dogs.” This sentiment echoes *The American Lawyer’s* June 2006 feature article on our firm, “The Mighty Quinn,” in which we were described as a “litigation tour de force.”



Bryant B. Edwards
Partner

LATHAM & WATKINS

Bryant Edwards is Chair of Latham & Watkins' Middle East Practice. Mr. Edwards has practiced law with the firm since 1981 and relocated to Dubai after eight years in the firm's London office, where he served as Chair of the Corporate Department. He also previously served as Chair of the Los Angeles Office Corporate Department.

His practice includes representation of companies and investment banking firms in merger and acquisition transactions and in public and private offerings of securities, with a particular emphasis on issuances and restructurings of debt securities. Mr. Edwards has advised issuers and underwriting banks in more than 100 bond offerings.

Mr. Edwards is a member of the Steering Committee of the Gulf Bond and Sukuk Association and is Chairman of its Regulatory Subcommittee. From 2004 through 2008, Mr. Edwards was Chairman of the European High Yield Association. Mr. Edwards is mentioned as a leading lawyer for high yield in *Legal 500 UK 2007* and in the 2008 editions of *IFLR* and *Chambers*, with *Chambers* citing that he is "one of the very best in the business" and an "absolute leader."

Mr. Edward's representative matters include:

- Representation of MB Holding in \$320 million bond offering, the first conventional high yield bond offering in the Middle East.
- Representation of the underwriters in the \$200 million bond offering by Yüksel İnaat, the first high yield bond offering by a Turkish issuer.
- Representation of the Dubai Financial Support Fund and the government of Dubai in the \$30 billion restructuring of Dubai World.
- Representation of the bondholders in the \$1 billion restructuring of Blue City Investments, an Omani real estate company.
- Representation of Investment Dar, a Kuwaiti investment company, in its \$2 billion debt restructuring.
- Representation of Credit Suisse in connection with the \$10 billion investment by Qatar Holding in Credit Suisse.



Mitchell A. Seider
Partner

LATHAM & WATKINS

Mitchell A. Seider is a partner in the New York office of Latham & Watkins and is global co-chair of the firm's insolvency practice. Mr. Seider focuses his practice on business reorganizations and financial restructurings. He regularly represents secured lenders, bond holders, creditors' committees, and debtors in Chapter 11 cases and workouts.

Mr. Seider is recognized for his work in corporate restructuring in *Chambers*, *Legal 500 U.S.* and other guides.

Representative Matters and Clients

Among the recent major Chapter 11 and restructuring matters Mr. Seider has been involved in are: Bethlehem Steel (unsecured creditors' committee); Adelpia Business Solutions (unsecured creditors' committee); Revlon Consumer Products (largest bond holder); Gate Gourmet (junior secured lenders); Meridian Automotive Supply (senior secured lenders); Delphi

(unsecured creditors' committee); Buffets (senior secured lenders); Extended Stay (senior secured lender); Dubai World (government of Dubai); Texas Rangers (agent bank for senior lenders); Bosque Power (agent bank for senior lenders) and Centaur Gaming (agent bank for first lien lenders).

Select Publications

Contributing Author, Collier Compensation, Employment and Appointment of Trustees and Professionals in Bankruptcy Cases

Author, "Financing the Debtors' Business," *Collier Bankruptcy Practice Guide*

Author, "Getting Retained, Staying Retained and Keeping the Money," *Journal of Bankruptcy Law and Practice*

Co-Author, "What to Do When Your Company Becomes Insolvent," *The Corporate Board*

Latham & Watkins

Founded in 1934, Latham & Watkins has grown into a full-service international powerhouse, with approximately 2,000 lawyers in 31 offices around the world. Latham's founders instilled an ethic of hard work, commitment and quality that flourishes today and has nurtured the firm's dramatic growth into one of the world's premier business law firms.

With that growth, Latham has built internationally recognized practices in a wide spectrum of transactional, controversy and regulatory areas. The firm has received praise for its innovative approach to law firm management and commitment to

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