

# Law Debenture Trust Company of New York

## Spring 2009 Bulletin

**NEWS:** We are pleased to announce that during the first quarter 2009, we have closed numerous successor appointments including: successor trustee for Merisant Worldwide, which engages in the manufacture, marketing, and distribution of sugar substitute sweeteners such as Equal; successor trustee for Millennium America (part of LyondellBasel) which is the third largest independent chemical manufacturer in the world; successor trustee for Nortel Networks, a multinational telecommunications equipment manufacturer; and successor trustee for BearingPoint, which is one of the world's largest providers of management and technology consulting services. We also serve as a full voting member on each of those Official Unsecured Creditor Committees. In addition we have been appointed trustee for a new \$89,897,000 and €28,641,000 senior priority note offering by NXP which primarily manufactures semiconductors. Our escrow business recently closed several relatively large transactions. Secured lending arrangements and holdback escrows that are often utilized in connection with mergers or acquisitions and were the predominant forms of these escrows.

**MARKET SPOTLIGHT:** *Stephen Norton, Director of Marketing in our London office reported the following transaction.*

Law Debenture in London has undertaken an interesting role in the recent recommended takeover by Electricite de France of British Energy Group plc (British Energy), the UK's principal nuclear power generator.

We were appointed trustee of guaranteed value rights instruments (CVRs) issued by Lake Acquisitions Ltd (Lake), a subsidiary of EDF Energy plc, with the benefit of a parental guarantee. Shareholders in British Energy were offered either cash or a combination of cash and notes linked to the CVRs which entitled holders to a contingent right to receive payments linked to British Energy's nuclear output and wholesale power prices over a ten year period.

The CVRs were repackaged into structured notes which enabled the British Energy shareholders to benefit from the performance of the pre-acquisition British Energy assets if payment thresholds were met without having any direct exposure to the merged entity.

Whilst the use of CVRs in the context of an M&A or capital markets transaction is not uncommon in the US it is somewhat rare in the UK: the case provides a good illustration of how Law Debenture, as the market's leading independent corporate trustee, provides a growing range of corporate trust services to its clients throughout the world.

**STAFF ADDITIONS:** Michael A. Smith, Vice President, Client Relations & Operations, joins Law Debenture with over 20 years experience in the financial services and securities processing industry. Michael established his career with experience in stock transfer, corporate trust and structured finance administration. Prior to Law Debenture, he worked predominately in corporate trust as a client relationship manager at JPMorgan Chase Bank and its predecessor banks. Mr. Smith is a graduate of New York University where he earned a bachelor's degree in Management & Organizational Behavior.

**AND FINALLY...** For more information about Law Debenture Trust Company of New York, and Law Debenture in general, please visit our Website at [www.lawdeb.com](http://www.lawdeb.com) or contact Robert Bice, Senior Vice President, or Joseph Conti, Managing Director, at (212)750-6474.