

VI FIRE – 6TH ANNUAL INTERNATIONAL CORPORATE RECOVERY FORUM

SPECIAL EDITION

THE SUPER CRASH

DEVASTATING DOMESTIC AND GLOBAL CONSEQUENCES

SÃO PAULO – ULO UERAZIL

NOVEMBER 10, 2008

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INSTITUTO BRASILEIRO DE GESTÃO E TURNAROUND

AND

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Intercontinental Hotel – Alameda Santos – São Paulo, SP, Brazil

“quem te deus esse iussit et humana qua parte locatus es in re; disce.”

Persius, Satires, iii 71.

Everyone has their eyes turned to the dire straits faced by financial and credit markets where the world's largest economy is facing its worst crisis of confidence since the Great Depression. Wall Street's woes are having far-reaching impact, with investors' nerves worldwide frayed by a period of unprecedented market turmoil. No one could ever imagine that insolvency would hit the center of financial world which is already producing a destructive, tsunami like, domino effect over real and financial sectors of economies across the globe including Brazil, despite the \$700 billion bailout program - \$1.8 trillion total bailout tab to date - "Emergency Economic Stabilization Act of 2008," which many believe is like pouring sand in the ocean. The fact of the matter is that the super crisis reached a level of complexity and proportions simply incommensurable, never seen or experienced.

This pharaonic crisis, originated in residential and commercial mortgage-backed securities/RMBS and CMBS such as credit default swap/CDS (coupled with off-balance-sheet liabilities and short selling), derived from low interest rates and the real estate bubble in the US which started in the 90's and respective artificial reported earnings, as corroborated by Wall Street and most of the financial media. In addition to CDS, pools of esoteric toxic assets were developed, including CDOs, CLOs, subprime mortgages, Alt-A mortgages held by banks, investment banks, hedge funds, insurance companies. The estimated notional value of CDS in the market is in the order of \$62 trillion.

A major lesson which can be drawn from all this is that this mess was intentionally man-made - caused by executives of the financial industry doing risky things, just like Enron, Worldcom and Parmalat where these same financial entities and their auditors had to pay

huge fines for the wrongdoings of their executives. Now we have the rating agencies also under the spotlight.

U.S. corporate bankruptcies have soared this year and more are on the way, highlighting a historic and pivotal year for those in the restructuring industry. There are even rumors of GM considering filing for bankruptcy protection. GE is raising \$15 billion. US car makers got \$20 billion from government. Experts say that more firms in Europe would be forced into bankruptcy than in previous downturns due to the unprecedented speed with which their financial health could worsen as liquidity shriveled. The turmoil has created great opportunities for distressed or vulture investors, and those attorneys, consultants and other experts who help companies sort out their problems.

In Brazil we witnessed Varig and Vasp's meltdown despite useless efforts to try to prove their viability. The eyes of the authorities are at the BDR co's like Agrenco which recently filed for bankruptcy protection shortly after its 700 million Reais (about USD 400 million) IPO and Parmalat. Brazilian companies are also feeling the initial consequences of the US crisis - limited export and local credit, exit of foreign investors to cover positions in the US, delay/cancellation of scheduled investments. In the same line as their colleagues overseas, some experts in Brazil believe that the country will also face an increase in insolvencies.

Present local and global situation demands special attention from creditors, debtors, the Judiciary and insolvency experts in order to avoid or recover value in several questionable circumstances where the red flag is raised. The super crisis brings the local discussion and implementation of the Model Law on cross-border insolvencies to one of top priorities in our domestic legislative agenda.

CONFERENCE DINNER SPONSORED BY

Barreto, Ferreira, Kujawski, Brancher e Gonçalves Sociedade de Advogados
(to members of International Insolvency Institute and guests)

Sunday - November 9th, 2008

Monday - November 10, 2008

7:30 a.m - 8:45 a.m.	Registration Desk Opens
8:45 a.m.- 9:00 a.m.	OPENING CEREMONY <ul style="list-style-type: none">HON. JUDGE HAMILTON ELLIOT AKEL, Bankruptcy Court of Appeals Judge, Sao Paulo;

	<ul style="list-style-type: none"> • HON. JUDGE NELSON CALANDRA – President APAMAGIS • HON. MARIA CRISTINA ZUCCHI, VP International Affairs Sao Paulo Association of Judges; and Court of Appeals Judge, Sao Paulo Court. • HON. ELIZABETH S. STONG, Chair, International Judicial Relations Committee of the National Conference of Bankruptcy Judges and United States Bankruptcy Judge for the Eastern District of New York; • CHRISTOPHER JARVINEN, Paul, Weiss, Rifkind, Wharton & Garrison LLP., New York and US Representative to the IBGT • JORGE QUEIROZ, IBGT Chairman
<p>9:00 a.m.– 10:10 a.m.</p>	<p>KEY ISSUES AND CONCERNS THAT HELP OR HURT AND DELAY PROCEEDINGS UNDER BRAZIL’S BANKRUPTCY SYSTEM</p> <p><i>Considerations shall be made by panel members based on practical experience both in Brazil and US together with initiatives that have been taken or are in progress in Brazil and how they are/were dealt with in the US. Panel will also provide an overview of the current status of the application of the bankruptcy law – positive and negative aspects.</i></p> <p>Chair:</p> <ul style="list-style-type: none"> • HON. MANOEL DE QUEIROZ PEREIRA CALÇAS, Chief Judge, Bankruptcy Court of Appeals, Sao Paulo <p>Panel Members:</p> <ul style="list-style-type: none"> • HON. MARIA CRISTINA ZUCCHI, VP International Affairs Sao Paulo Association of Judges; and Court of Appeals Judge, Sao Paulo Court. • HON. ELIZABETH S. STONG, CHAIR, International Judicial Relations Committee of the National Conference of Bankruptcy Judges and United States Bankruptcy Judge for the Eastern District of New York; • HON. ALEXANDRE ALVES LAZZARINI, Sao Paulo Bankruptcy Court, 1st District • ERONIDES APARECIDO RODRIGUES DOS SANTOS, Public Attorney, Sao Paulo Public Attorney’s office

	<ul style="list-style-type: none"> • CRISTIANA FERRAZ, Vice President Emerging Markets, Fixed Income Division, Lehman Brothers; Sao Paulo
10:10 a.m.– 11:10 a.m.	<p>WHEN GLOBAL FINANCIAL INSTITUTIONS MEET CRISIS</p> <p><i>Analysis and different solutions and impacts of the unprecedented turmoil which severely hit the US and global financial markets. Mr. Larose, recognized as one of the world’s leading authorities in the restructuring segment with a vast international experience in addition to being directly involved in the epicenter of the super crisis advising some of the world’s largest companies, will elaborate on present cases and current techniques based on his work in different jurisdictions.</i></p> <p>KEY NOTE SPEAKER:</p> <ul style="list-style-type: none"> • LARRY LAROSE – Partner, Dewey & LeBoeuf LLP – New York <p><i>Mr. Larose leads the Corporate Restructuring practice in the firm's New York office. His principal area of practice is the restructuring of financially troubled entities, both in-court and out-of-court, including mergers and acquisitions (M&A), and financial transactions. Mr. Larose is currently lead restructuring counsel to M.B.I.A Inc., the world’s largest bond insurer. He represents major financial institutions, including investment banks, commercial banks and insurance companies, in the acquisition or disposition of businesses and entities, and in the issuance, sale, and underwriting of securities. He was the lead corporate attorney in the representation of Confederation Life Insurance Company and Mutual Benefit Life Insurance Company, the two largest insurance company restructurings in history, and is experienced in all aspects of insurance company mergers and acquisitions, insolvencies and reorganizations. Mr. Larose also was chief restructuring counsel to Foster Wheeler Ltd., one of the largest out-of-court restructurings ever consummated.</i></p>
11:10 a.m.– 11:30 a.m.	Networking Coffee Break
11:30 a.m.- 12:30 p.m.	KEY LEGAL, MANAGEMENT AND FINANCIAL ISSUES AFFECTING DEBTORS

	<p>AND CREDITORS AND SUCCESS OR FAILURE OF REORGANIZATION / LIQUIDATION – A VIEW FROM PRACTITIONERS AND INVESTORS</p> <p><i>Panel will discuss current developments and concerns including DIP finance and other funding/acquisition mechanisms (loan-to-own; distressed private equity, etc); present dynamics of lenders and other stakeholders as well as debtors in insolvency proceedings; practical issues involving creditors’ committees – do they really have a say? Have judicial recoveries really been generating value for creditors and debtors? Are pre-commencement transactions of debtor being reviewed/reported? How are void and voidable transactions dealt with? The impact of fraud on the stock market and securities trading on the viability of companies. Director and officer liability. Are debtor’s businesses effectively being recovered? What are the current shortfalls?</i></p> <p>Chair:</p> <ul style="list-style-type: none"> • ANTONIO TORO, Partner, Business Recovery Services, PricewaterhouseCoopers <p>Panel Members:</p> <ul style="list-style-type: none"> • LIONEL ZACLIS, PARTNER, Barreto, Ferreira, Kujawski, Brancher e Gonçalves Sociedade de Advogados • THOMAS B. FELSBERG – Partner, Felsberg e Associados • JOSÉ EDUARDO CARNEIRO QUEIROZ – Partner, Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados • PEDRO PAULO CAMPOS – Managing Principal, Angra Partners
12:30 p.m.- 1:40 p.m.	Lunch Break
1:40 p.m.- 2:40 p.m.	<p>CONTROL INVESTMENTS (AND EXIT) IN DISTRESSED SITUATIONS</p> <p>Chair:</p> <ul style="list-style-type: none"> • DEBORAH KIRSCHBAUM – Presidency Advisor BNDES <p>Panel Members:</p> <ul style="list-style-type: none"> • BNDES and Investment Banks speakers
2:40 p.m.- 3:25 p.m.	<p>KEY ISSUES SURROUNDING THE GATE KEEPERS - EVERSIGHT AND ADMINISTRATION</p> <p><i>Panel will discuss the underlying issues that are part of the genesis of the</i></p>

	<p><i>catastrophic crisis we are presently watching which many believe will unfold into dire consequences, including the slowdown of the real and financial segments of the economy for the next few years – among these are the matter of responsibility – executives, banks, investment banks, auditors. The issues of judgment mistakes or incompetence and the increasing problem of greed and constructive fraud. These are challenges which will have to be faced by Brazilian Judiciary and authorities. To date we haven't seen a case of responsibility effectively addressed by the judiciary as we saw in the cases of Parmalat in Italy, Enron, Worldcom and several others internationally.</i></p> <p>Chair:</p> <ul style="list-style-type: none"> • WALDIR PEREIRA GOMES – President, Sao Paulo Association of Economists- CORECON <p>Panel Members:</p> <ul style="list-style-type: none"> • EDUARDO GOMIDE – Director, Kroll • JORGE QUEIROZ – Chairman IBGT and President of the Creditors' Committee of Banco Santos Bankruptcy Estate
<p>3:25 p.m.- 4:10 p.m.</p>	<p>CORPORATE/FINANCIAL FRAUDS, TRACING, FREEZING AND RECOVERY OF ESTATE'S ASSETS</p> <p>Chair:</p> <ul style="list-style-type: none"> • DOMINGOS REFINETTI, Partner, Machado, Meyer, Sendacz e Opice Advogados <p>Panel Members:</p> <ul style="list-style-type: none"> • EDWARD E. DAVIS, JR – – Partner, Astirraga Davis LLP • MARTIN S. KENNEY, Principal of Martin Kenney & Co., exclusive member of Fraudnet
<p>4:10 p.m.-4:30 p.m.</p>	<p>Networking Coffee Break</p>
<p>4:30 p.m.-5:30 p.m.</p>	<p>CAYMAN HEDGE FUND INSOLVENCY: HOW IT WORKS FOR LIQUIDATORS AND INVESTORS</p> <p><i>Panel is composed of highly experienced attorneys directly involved in</i></p>

	<p><i>different high profile hedge fund insolvencies, a good number of them located in Offshore Financial Centres (OFCs) like Cayman Islands, BVI, and others. It will demonstrate the insolvency process undergone by hedge funds, hardly hit by the international financial catastrophe and their respective derivatives and other esoteric toxic assets carried in their books.</i></p> <p>Chair:</p> <ul style="list-style-type: none">• LAURA HATFIELD – Partner, Solomon Harris, Attorneys-at-Law, Grand Cayman <p>Panel Members:</p> <ul style="list-style-type: none">• JONATHAN FITZGIBBONS, Senior associate in Solomon Harris Funds and Corporate Department• NIGEL MEESON, Head of Litigation and Restructuring at Conyers Dill & Pearman. Mr Meeson acts for the Cayman Liquidators of the Bear Stearns Master Funds• GEOFF VARGA, Kinetic Partners, Cayman Islands. Mr. Varga acts as a Cayman Liquidator of the Bear Stearns Feeder Funds
5:30p.m.-6:30 p.m.	<p>UNCOORDINATION IN NATIONAL AND INTERNATIONAL PROCEEDINGS AND CONFLICTS OF COMPETENCE</p> <p><i>This panel will make a critical analysis of multi-jurisdictional aspects, both domestically in Brazil and abroad. The multiplicity of District Courts in the states of Sao Paulo, Rio de Janeiro and several others, in addition to 27 States’ jurisdictions impose significant systemic difficulty to the operation, harmonization and coordination of multi-jurisdictional domestic cases. It will also address the issue of cross-border insolvencies and the need for Brazil to introduce the model law to improve the coordination of transnational bankruptcy proceedings. This issue is of utmost importance in light of the transnational insolvencies which are being generated by the world’s current super crisis.</i></p> <p>Chair:</p> <ul style="list-style-type: none">• HON. BORIS KAUFFMANN – Bankruptcy Court of Appeals Judge, Sao Paulo

	<p>Panel Members:</p> <ul style="list-style-type: none">• HON. MARCIA CUNHA SILVA ARAUJO DE CARVALHO – Chief Judge, Rio de Janeiro Bankruptcy Court – 2nd District• PAULO FERNANDO CAMPOS SALLES DE TOLEDO, Partner, Escritório de Advocacia Sergio Bermudes• PAULO PENALVA SANTOS, Partner, Motta, Fernandes Rocha Advogados• JAVIER LORENTE - Partner, Naveira – Truffat – Martínez – Di Paolo – Anido – Lorente & López Abogados, Buenos Aires, Argentina• FABIO ROSAS - Partner, TozziniFreire Advogados
6:30p.m.-6:40 p.m.	<p>CLOSING REMARKS</p> <ul style="list-style-type: none">• HON. ROMEU RICUPERO – Bankruptcy Court of Appeals Judge, Sao Paulo
6:40p.m.-7:40 p.m.	<p>Cocktail Party</p>

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