

# Financial Services

## Overview

Munsch Hardt represents lenders from a variety of disciplines within the industry, including banking institutions, non-regulated lenders, private equity and hedge funds, as well as domestic and foreign financial institutions. On the banking side, our clients include banks of all sizes, credit unions and other creditors and lending institutions. In the specialty finance area, our lawyers bring a high degree of expertise and market knowledge in advising venture capitalists, institutional lenders, family offices, private equity and hedge funds and other financial professionals. Whether the matter involves a syndicated lending transaction, a financial institution merger, the acquisition of a banking institution, an acquisition of financial assets, the creation of strategic alliances or the outsourcing of core processes by or to a financial institution, our multifaceted team of attorneys focuses on achieving our client's business objectives in a timely and cost effective manner to some of the industry's most innovative transactions.

Our transaction attorneys frequently counsel on a wide-range of transactions, including:

- Asset-based lending
- Corporate debt & high-yield instruments
- Public debt financing & municipal bonds
- Real estate finance
- Restructurings & workouts
- Acquisition financing
- Derivatives & swaps
- Project finance & infrastructure
- Reserve-based lending

We also have experience in advising on electronic payment processing, factoring transactions and letter of credit facilities.

In addition, our controversy lawyers represent clients in connection with issues related to lender liability, deposit account claims, defending and enforcing letters of credit, foreclosures, trust and fiduciary claims, regulatory claims and fraud or breach of fiduciary duty allegations. These attorneys are regularly called upon to represent officers, directors and other professionals at failed financial institutions against actions by regulatory authorities and in related civil, criminal or administrative proceedings.

This representation gives us a broad perspective in negotiating, documenting and restructuring complex, large dollar loans, combination debt and equity transactions, as well as working capital loans, mezzanine loans, revolving credits and unsecured credit facilities. Our team is also experienced in representing offshore private investment funds in loan transactions involving United States funds.

## ASSET-BASED LENDING

Our Asset-Based Lending practice is composed of attorneys who focus on the documentation, negotiation and structuring of secured financial transactions. We represent lenders, lessors, venture capital groups, investors and, at times, sellers, lessees and borrowers. Our client base consists primarily of financial institutions such as domestic and foreign banks, commercial finance companies and insurance and leasing companies. We also routinely advise on acquisitions of and/or investments in leasing companies and asset portfolios, secured and unsecured bridge and revolving credit financings, and a wide range of regulatory and asset repossession matters. Our understanding of the unique needs in this area allows us to craft specific strategies to help our clients reach their business goals and to address the challenges and opportunities they encounter.

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## **CORPORATE DEBT & HIGH-YIELD INSTRUMENTS**

The Finance & Capital Markets Group has significant experience advising issuers and underwriters on high-yield bond offerings in numerous jurisdictions across the U.S. and abroad. Our attorneys can handle all aspects of high yield-debt offerings, including negotiating complex covenant packages, handling subordination, security issues and advising on bridge-to-bond financings, bank-to-bond financings and restructurings. In addition to high-yield bonds, we advise on a wide variety of mezzanine loan transactions. We are experienced with all types of investments, whether they take the form of debt, equity, conveyances of real property interests, or any combination thereof. In these matters, our attorneys represent alternative lenders, such as private equity funds, mezzanine funds and hedge funds as well as borrowers.

## **DERIVATIVES & SWAPS**

We advise clients with respect to the full range of over-the-counter and exchange-traded derivative products. We represent a variety of market participants, including domestic and international banks, insurance companies, financial products companies, funds, investment advisors and a wide spectrum of end-users in both domestic and international derivatives transactions. Our Derivatives team members have experience with swap, option and structured-note transactions involving established products, such as interest rates, currencies, commodities, securities and credit. From negotiating and executing the foundational documentation to finalizing trade confirmations for each trade, we truly handle every stage of the derivative transaction life cycle. The derivatives team is integrated with other Munsch Hardt practice groups, allowing the Firm to provide multidisciplinary legal advice regarding the derivatives issues that implicate a number of different laws and regulatory schemes, such as those relating to commodities, banking, securities, insolvency, partnerships and tax.

## **PUBLIC DEBT FINANCING & MUNICIPAL BOND**

Our attorneys serve as bond counsel in virtually every type of public financing transaction. Additionally, the team acts as underwriter's counsel, trustee's counsel, counsel to credit enhancement providers, counsel to purchasers of municipal bonds and borrower's counsel in connection with all types of tax-exempt and tax-credit bond financings.

## **PROJECT FINANCE & INFRASTRUCTURES**

Munsch Hardt's interdisciplinary team is comprised of attorneys well-versed in the investment, litigation, merger and acquisition, finance, real estate and tax-related aspects of sophisticated infrastructure-related transactions. With this comprehensive practice, we are able to advise clients throughout the full lifecycle of a major project – from procurement, negotiation, contracting and delivery, to resolution. Our lawyers work with project sponsors and developers, commercial and investment banks and other financial institutions, investors, manufacturers, technology companies, contractors, governments and other participants active in the sector. This practice area spans a number of sectors, such as large, mixed-use developments (office buildings, hotels, sports stadiums, convention centers) energy (electricity, oil and gas, renewable), social infrastructure (health, education, justice), and transportation (airports, roads and bridges, parking, transit and ports).

## **REAL ESTATE FINANCE**

With one of the strongest Real Estate practices in the Southwest, Munsch Hardt attorneys partner with U.S. and foreign banks, financial institutions, pensions and private equity funds, REITS and loan servicers in connection with traditional and non-traditional financings. We also represent numerous real estate owners, developers, investors and managers. With an in-depth understanding of both sides of a transaction, we help clients navigate acquisition and development loans, bond financings, bridge loans, construction loans, debt/equity transactions, deed-in-Lieu of foreclosure transactions, lines of credit, mezzanine financings, mortgage-backed security loans, revolving credit loans (both secured and unsecured), syndicated and securitized loans, tax increment financings and the purchase and sale of distressed real estate loans.

## RESERVE-BASED LENDING

Munsch Hardt's attorneys bring together multidisciplinary teams to represent leading agent banks, other lenders, investors, as well as oil and gas exploration and production companies, on the full range of reserve-based financing arrangements. These teams have deep knowledge of the exploration and production of hydrocarbons and the financing needed for such operations. By combining our extensive knowledge of these two industries, Munsch Hardt is able to evaluate loan-related risks and then structure, negotiate and document reserve-based arrangements and collateral packages with an understanding of the need to balance lender protections and borrower flexibility. Our attorneys have experience in advising on reserve-based financing options from single-bank loans to complex syndicated financings.

## RESTRUCTURINGS & WORKOUTS

Our insolvency attorneys emphasize a proactive, rather than reactive, approach to our clients' legal and financial concerns. We frequently assist in restructuring negotiations and workouts with senior lenders, potential replacement lenders, major and mission critical creditors and vendors and regulatory authorities outside of a formal Chapter 11 (or Chapter 7) bankruptcy case. Such negotiations may lead to a pre-packaged or pre-negotiated plan to be implemented through bankruptcy, or, as appropriate, may also be directed to liquidating unprofitable assets and avoiding bankruptcy altogether. Our experience includes not only bankruptcy matters, but also senior and secured liens and subordinated loan workouts, receiverships, assignments for the benefit of creditors, financing and commercial litigation allows us to formulate restructuring approaches that maximize client interests in a variety of circumstances. Our unique structure and extensive professional resources enable us to be flexible in structuring client engagements both in and outside of Chapter 11. Our attorneys coordinate efficiently and seamlessly with our clients' financial and business advisors, consultants, restructuring officers, estate custodians, accountants, brokers and liquidators and other professionals.

## Experience

### Bank Holding Company Disposition

Represented North American Bancshares, Inc. in its merger with and into Durant Bancorp, Inc. Consideration for the transaction was a combination of cash and stock valued at \$450 MM. Our engagement included the negotiation of all documents associated with the transaction, including the merger agreements, filings with both federal and state regulators, employee issues and revisions to the Durant Bancorp Shareholders Agreement.

### Restructuring Representation

Obtained a big win for a Texas-based bank in an oil and gas-based restructuring engagement. In the face of an imminent bankruptcy filing by the borrower and a potential inter-creditor dispute between the Bank and a group of New York-based private equity funds, Munsch Hardt successfully orchestrated the structured liquidation and application of outstanding hedge positions and a controlled out-of-court foreclosure process that resulted in payment in full of the bank's roughly \$14 MM outstanding loan.

## Lender Representation

Served as counsel for the agent of a 15-member lender group to a public-private partnership organized to construct a major U.S. toll road. The Chapter 11 plan was successfully negotiated pursuant to which the lender group, holding in excess of \$1.2 B in debt, received combination of cash payments, newly-issued debt instruments, and ownership of the project.

## Lender Representation

Represented a national bank as lender in two loans, the first a \$1 MM direct revolving credit operational loan to one of Dallas' preeminent charitable organizations, and the second a tax-driven restructure of \$34 MM of additional debt to the bank from the charitable organization via two loans to a finance corporation, which were secured by loans from the bank to the charitable organization, which loans were sold by the bank to the finance corporation, and then simultaneously amended and restated and collaterally pledged to the bank to secure its loans to the finance corporation. Munsch Hardt structured the transaction, which converted short term, taxable debt into long term, lower rate, non-taxable debt, benefitting the charity while preserving the bank's original collateral.

## Fiduciary Litigation

Represented a Cayman Island investment fund as subordinated noteholder in fiduciary breach claims against the collateral manager concerning the liquidation of a \$420 MM collateralized loan portfolio.

## Financial Institution Litigation

Defense of a financial institution for lending practices resulting from the alleged misuse of collateral owned by a third party and claims for damages of \$1.5 MM resulting in a summary judgment that the plaintiff take nothing.

## Practice Leaders



**Josh Botts**

Dallas  
214.855.7571  
[jbotts@munsch.com](mailto:jbotts@munsch.com)



## W. Phillip Whitcomb

Dallas  
214.855.7556  
[pwhitcomb@munsch.com](mailto:pwhitcomb@munsch.com)

### Related People

Huma Ali  
Phil Appenzeller  
Grant Beiner  
M'Lou Bell  
Mark Biskamp  
Josh Botts  
Walter Buchanan  
William Cavanaugh  
John Cornwell  
Patrick Dean  
William Zac Duffy  
Jeffrey Dunn  
Phillip Geheb  
Charles Guerin  
Olga Gurtovaya  
Steven Harr  
Michael Harvey  
Jon Hyland  
Christopher Jordan  
Sameer Karim  
Richard Kopf  
Jana Lambro  
J. Lucas Lechler  
Kevin Lippman  
Nicole Manley  
David Mattka  
Keith McDole  
James McGee  
Mark McMullen  
Timothy Miller  
R. Keith Morris  
Jay Ong  
Ross Parker  
Dennis Roossien  
Davor Rukavina  
Susan Sample

Courtney Sauer  
Natalie Sears  
Christopher Speer  
Courtney Tawresey  
John Turnage  
Glenn Valentine  
Julian Vasek  
Fred Wahrlich  
W. Phillip Whitcomb  
Phillip Williams  
Steven Williams

## Related Practices

Bankruptcy, Restructuring & Insolvency  
Corporate & Securities  
Finance  
Immigration  
Intellectual Property  
Labor & Employment  
Real Estate  
Tax  
Litigation  
Environmental

## Related Industries

Construction  
Energy  
Hospitality  
Real Estate  
Technology & Telecommunications  
Transportation

## Achievements

*U.S. News – Best Lawyers*® “Best Law Firms”, published by *Woodward/White, Inc.* – Financial Services Regulation Law, Metropolitan Tier Ranking (2020)

## Newsroom

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**In The News:** Small-Business Owners Are Anxious Despite Federal Aid: A Q&A With Munsch Hardt's David Roth

**In The News:** Small Businesses Could Be Caught in PPP Loan Forgiveness Process Into 2022 — And Beyond

**Press Release:** Munsch Hardt Welcomes Back Corporate Finance Attorney Walter Buchanan

**Newsletter:** COVID-19: 10 Things We Learned From Reading the SBA's PPP Forgiveness Application

**Newsletter:** COVID-19: Paycheck Protection Program Checklist

**Newsletter:** COVID-19: CARES Act SBA Lending Program

**Newsletter:** COVID-19: Interagency Statement

**Press Release:** Munsch Hardt Ranks Among Nation's Top Firms in 2020 "Best Law Firms" List by U.S. News - Best Lawyers®

**Press Release:** Munsch Hardt Adds Probate & Fiduciary Litigation Practice; Announces Highest Headcount in Firm History

**Press Release:** Munsch Hardt Adds Seasoned Investment Management Partner in Dallas, Litigation Associates in Houston

**In The News:** The First OZ Deadline Has Passed . . . What Now?

**In The News:** Data Breach Legislation Proposes Jail Time for CIO, HR Execs

**Press Release:** 14 Munsch Hardt Attorneys Named on the Super Lawyers 2019 Rising Stars List

**Press Release:** Munsch Hardt Ranks Among Nation's Top Firms in 2019 Best Law Firms List

**Press Release:** Munsch Hardt Attorney Closes Two Middle-Market Transactions, Signs Up a Third in Less Than 30 Days

**Press Release:** Munsch Hardt Launches Blog, Brings Attention to the Latest in Immigration Law

**In The News:** Munsch Hardt Shareholder Appointed to Arbitration Board

**Press Release:** NACHA – The Electronic Payments Association Appoints Munsch Hardt Attorney as Arbitration Board Member

**Article:** A Look Inside Texas' New Home Equity Loan Law

**In The News:** Downtown Dallas Landmark Redevelopment Gets \$23.9 MM Energy Loan

**In The News:** Historic building near Dallas' city hall lands biggest clean energy-tied loan in Texas history

**Speech:** Employment Law Update

**In The News:** Munsch Hardt Snags Norton Rose Bankruptcy Pro In Houston

**In The News:** Billionaire Kelcy Warren Sued Over \$20 MM Cancer Center Loan

**Speech:** Historical Tax Credits: How They Work

**Speech:** Regulatory and Legal Views of the Payments Landscape

**In The News:** Chamberlain Hrdlicka Accused of Exploiting Client Info

**In The News:** Dallas Law Firm Moves Into New Houston Digs

**Speech:** Corporate Account Takeovers; Managing Relationships Between Third-Party Senders & ODFIs

**Article:** How to File an Electronic Bankruptcy Proof of Claim

**Article:** SALES OF REO PROPERTY

**Press Release:** Munsch Hardt Shareholder Added to Dallas Office

**Newsletter:** Client Alert: Hope for Foreclosing Lenders with Subcontractor's Liens in Texas

**Article:** Thinking of Taking a Letter of Credit As Additional Collateral in That Workout? Think Again!