The Credit Roundtable
In association with the Fixed Income Forum

Contact Information:
Lyn Perlmuth
Phone: 212 224 3074
Email: lperlmuth@iimemberships.com

PRESS RELEASE

CREDIT ROUNDTABLE PARTICIPATES IN LANDMARK CHANGE TO SEC'S DEBT TENDER RULES

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- New no-action relief letter allows five business day issuer tender offers for both investment grade and high-yield debt securities (including certain "refinancing" exchange offers)
- Requires "Immediate Widespread Dissemination" of offer materials
- Requires notice of guaranteed delivery, which permits tenders up to actual expiration date instead of any earlier deadlines imposed by custody banks and intermediaries
- Supersedes old SEC guidance for seven to ten calendar day tender offers for investment grade securities

On January 23, 2015, the Staff of the Securities and Exchange Commission published new no-action relief relating to the conduct of certain debt tender offers, allowing issuer tender offers for non-convertible debt securities (both investment grade and high-yield) in five business days. This relief supersedes prior no-action relief dating from 1986 and 1990, which allowed debt tender offers for investment grade securities to occur in as little as seven to ten calendar days.

These changes resulted from a meeting hosted by the Staff of the SEC in April 2014 attended by Credit Roundtable members (assisted by Paul, Weiss, Rifkind, Wharton & Garrison LLP), the Director of the Division of Corporation Finance, certain representatives of the Office of Mergers and Acquisitions, representatives of a number of major law firms and senior representatives of investment banks involved in liability management. At the meeting, the participants discussed possible changes in the framework for debt tender offers and the formalization of written guidance for the conduct of such offers. The new relief developed after long discussions and negotiations among the Credit Roundtable and the other parties in the months following the meeting.

"We at the Credit Roundtable were pleased to have been key participants in crafting the letter and enthusiastically support the new no-action relief. We believe that the relief represents a significant advance in protections for investors and a rationalization and formalization of consistent market practices that otherwise might be open to varied interpretation," said David Knutson, senior research analyst at Legal and General Investment Management America and co-leader of the Credit Roundtable.

The requirements for five business day debt tender include (among other things) that the offer must:

- Be made by the issuer or a direct or indirect wholly owned subsidiary of the issuer;
- Be made solely for cash consideration or "Qualified Debt Securities" (securities that are similar in structure and covenants to those being tendered for);
- Be announced via "Immediate Widespread Dissemination," which requires the issuance of a press release disclosing the terms of the offer and containing an active hyperlink to the offer documents (or an Internet website at which such documents can be obtained), before 10:00 a.m., Eastern Time on the first business day of the tender offer period;
- Be open to all record and beneficial holders of the securities (subject to investor eligibility in the case of an issuance of Qualified Debt Securities);
- Not be made in connection with a consent solicitation;
- Provide for Immediate Widespread Dissemination of a change in consideration or other material changes;
- Provide notice of guaranteed delivery, which permits tenders up to actual expiration date;
- Provide withdrawal rights through the expiration of the offer and certain other specified withdrawal rights; and
- Not be made in response to or concurrently with a change of control or other time of extraordinary transaction or concurrently with certain other tender offers.

For more information, please read the full text of the no-action letter, related request letter and the Credit Roundtable's letter of support, which can be found on the SEC's website, at: www.sec.gov/divisions/corpfin/cf-noaction/2015/abbreviated-offers-debt-securities012315-sec14.pdf

About The Credit Roundtable
The Credit Roundtable is an association of fixed income investors, organized in association with the Fixed Income Forum, which is seeking to enhance bondholder protections. The Credit Roundtable's goals include strengthening bondholder covenant protections, as well as improving other areas of the investment grade corporate bond market, such as the new issue underwriting and distribution process and the tender/exchange and consent process. These initiatives are intended to benefit all bond market participants through increased transparency and improved market efficiency and liquidity.