

Contacts:

Kimberly Brooks +1 212 504 5652

kimberly.brooks@cwt.com

Ron Brandsdorfer +1 212 504 6712

ron.brandsdorfer@cwt.com

NewsRelease

For Immediate Release:

Cadwalader Argues Motion for Assured Guaranty Regarding Puerto Rico's Municipal Debt Restructuring

New York, November 28, 2017 —Cadwalader, Wickersham & Taft LLP, a leading counselor to global financial institutions and corporations, is representing Assured Guaranty in connection with Puerto Rico's restructuring of approximately \$73 billion of outstanding bond debt, the largest-ever U.S. municipal debt restructuring and the first bankruptcy of any U.S. territory. Assured is one of the largest creditors of Puerto Rico, having insured approximately \$5.4 billion of the bonds issued by Puerto Rico and its public corporations, including the Puerto Rico Highways and Transportation Authority (HTA).

Assured insures approximately \$1.5 billion of bonds currently outstanding issued by HTA. HTA has defaulted on various debt service payments due on the bonds. On May 21, 2017, HTA filed a Title III petition under the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), a federal law that incorporates various provisions of the Bankruptcy Code. On June 3, 2017, Assured along with other bond insurers filed adversary proceedings in the Title III cases against HTA, the Commonwealth of Puerto Rico, the Oversight Board established by PROMESA and other parties, seeking, among other relief, the continued payment of the HTA bonds during the Title III cases as special revenue bonds protected by the Bankruptcy Code.

Last week, on November 21, 2017, Judge Laura Taylor Swain, who was appointed to oversee the Title III cases, held over two hours of argument on the motions of the Oversight Board, the Commonwealth and HTA to dismiss the adversary proceedings.

Among several issues on which the Court heard argument was whether as Assured contends, the Bankruptcy Code requires the special revenue bonds issued by HTA to be paid during the Title III cases. The Oversight Board, the Commonwealth and HTA assert that payments on the

bonds during the Title III cases is only an “option.” This is an immensely important issue to the municipal revenue bond market as special revenue bonds are marketed and sold as bankruptcy remote investments.

Howard Hawkins argued the motion for Assured. The courtroom team led by Mark Ellenberg also included Ellen Halstead, Tom Curtin, Casey Servais and Will Simpson.

Cadwalader, Wickersham & Taft LLP

Cadwalader, Wickersham & Taft LLP, established in 1792, serves a diverse client base, including many of the world's leading financial institutions and corporations in more than 50 countries. With offices in the US and Europe, Cadwalader offers legal expertise in antitrust, banking, corporate finance, corporate governance, energy, environmental, executive compensation, financial restructuring, health care, intellectual property, litigation, mergers and acquisitions, private equity, private wealth, real estate, regulation, securitization, structured finance, tax and white collar defense. For more information, visit www.cadwalader.com.