

Public Announcement

BroadSpan Advises Bondholders in Puerto Rico COFINA Restructuring

April 16, 2019 – We are pleased to announce that BroadSpan Capital LLC acted as financial advisor to an institutional bondholder group (the “Bondholder Group”) with respect to the restructuring of the debt of the Puerto Rico Sales Tax Financing Corporation (“COFINA”). The Bondholder Group controlled approximately \$1.9 billion of the outstanding COFINA Senior and Junior bonds prior to the restructuring.

The restructuring was undertaken pursuant to the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”) which established, among others, a Financial Oversight and Management Board (the “Oversight Board”). The Oversight Board eventually filed petitions for relief for the Commonwealth of Puerto Rico (the “Commonwealth”) and commenced debt adjustment cases under Title III of PROMESA which provided a mechanism for the Commonwealth to work with holders of COFINA bonds to seek to adjust debt terms utilizing certain sections of the U.S. Bankruptcy Code.

Within this process, over a twenty-two-month period BroadSpan and the Bondholder Group conducted negotiations with multiple counterparties including the Oversight Board and their advisors, the Commonwealth and their advisors, and other holders of Puerto Rico debt, seeking to balance settlement discussions and build consensus for a fair and transparent process for both holders of COFINA bonds, the Commonwealth and their respective constituencies.

After agreement was reached among the Oversight Board, the Commonwealth and a majority of the holders of the COFINA bonds, a COFINA Plan of Adjustment was filed and eventually approved by the U.S. District Court for the District of Puerto Rico in February 2019 leading to the process to initiate an exchange of the existing COFINA bonds for a series of new bonds reflecting the new agreed terms.

As part of the exchange, holders of Senior COFINA bonds received distributions in the form of new bonds and cash, equal to approximately ninety-three percent (93%) of each holder’s aggregate claims and holders of Junior COFINA bonds received a distribution in the form of new bonds, equal to approximately fifty-six percent (56%) of each holder’s aggregate claims. Subject to certain conditions, consummation costs representing a pro-rata share of cash in an amount equal to two percent (2.0%) of the aggregate amount of claims, was also included to compensate for the cost of negotiation, confirmation and consummation for participating holders.

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