

Offshore Restructuring Services



Unparalleled experience, in extraordinary times

From populism to the coronavirus pandemic, world changing events call for unprecedented responses from decision makers. Kroll's Offshore Restructuring practice is built on our unparalleled experience assisting stakeholders in contentious, distressed and/or wind-down situations, including some of the world's most high-profile insolvency cases.

Our experience

- Liquidations (court appointed, provisional or voluntary)
- Receiverships/controllerships
- Controlled wind-downs and liquidating trusts
- Cross-border/international restructurings
- Chief restructuring officer and foreign representative
- Replacement general partner or investment advisor
- Director/trustee fiduciary appointments
- Distressed/illiquid investment management services
- Restructuring advisory
- Independent oversight for directors, management or investors
- Litigation advisory and forensic investigations

As specialists in matters affecting the full spectrum of stakeholders, our experienced team understands the challenges that can arise from changing market conditions, competing interests within management, unforeseen events, fraudulent activity or mismanagement. When these situations arise, it is vital that decision makers proactively implement the available remedies, with the assistance of experienced professionals, while at the same time weighing the interests of creditors, investors, regulators and fiduciaries.

As part of a truly global team, we apply a multi-disciplinary approach to offshore and cross-border restructuring situations. Our global presence means stakeholders can rely on us to deal with assets locally and globally.

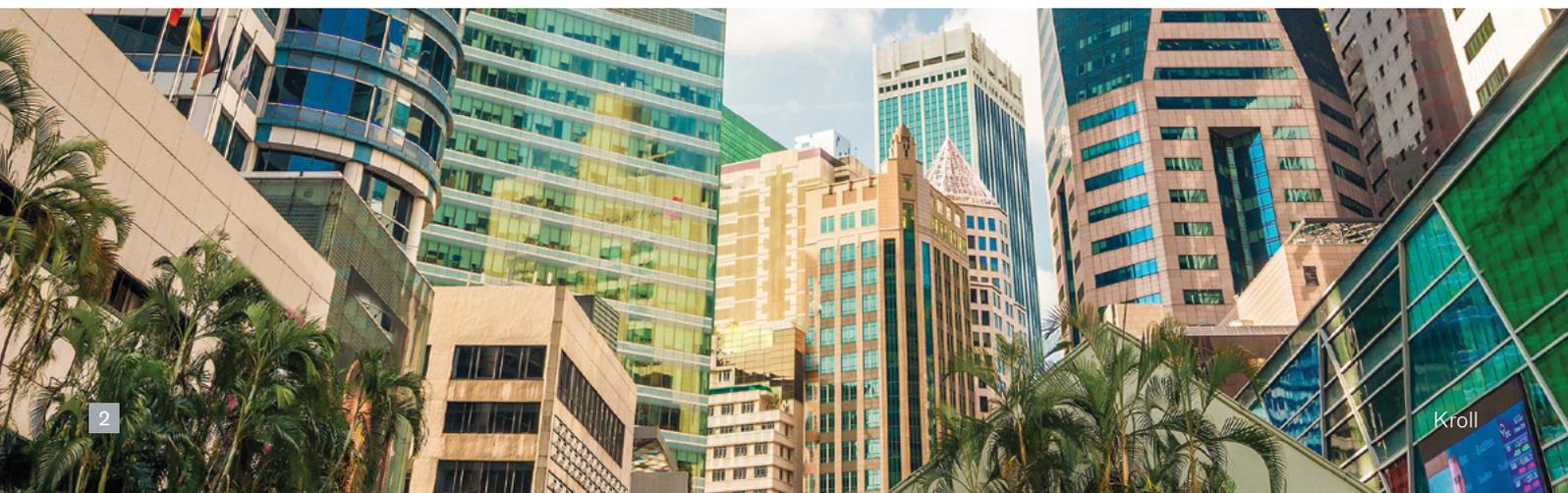
Challenging/Contentious Situations

In particularly challenging situations, including where fraud or mismanagement is suspected, the powers available under both onshore and offshore insolvency regimes provide an effective means to investigate the issues, identify those responsible and recover value. Our team has extensive experience in identifying, initiating and pursuing domestic and cross-border recovery actions while taking a cost/benefit approach.

As these situations are invariably unknown territory to management, all parties concerned can benefit from the advice of experienced practitioners, and if necessary, the appointment of independent professionals to take control and ensure that matters are resolved and an equitable outcome is secured.

Cross Border/International Restructurings

Offshore corporate structures are a common feature of large-scale cross-border restructuring. Together with our global restructuring network supporting service lines and sector expertise, our Offshore Restructuring team can play a pivotal role in repositioning global corporates for a changing world



Global Restructuring Services

The Offshore Restructuring team is part of our wider Global Restructuring Advisory team that includes over 250 dedicated professionals across the U.S., the Caribbean, Europe, Latin America, Middle East and Asia. We bring together a broad range

of services, giving our clients the confidence that all options are considered in each matter to ensure that strong outcomes are achieved.



Kroll is a member of the International Association of Restructuring, Insolvency and Bankruptcy Professionals' (INSOL) Group of 36 (G36). INSOL is the leading association of accountants and lawyers who specialize in turnaround and insolvency. The G36 is a group of INSOL member firms who serve as a principal vehicle for INSOL's activities, advocacy and coordination on cross-border matters.



INSOL International

Industry Coverage

In addition to Kroll's broad industry coverage, our Global Restructuring Advisory team has significant experience across sectors, enabling us to provide tailored advice for the situation at hand.



Financial Investigations, Asset Tracing and Recovery

Understanding the circumstances of how assets went missing from an organization is essential to being able to recover those assets. Our Offshore Restructuring team works hand-in-hand with the Financial Investigations practice of Kroll to maximize asset recoveries on all our engagements.

The Financial Investigations practice brings together experts in forensic accounting, data analytics, forensic audits and financial crime compliance and investigations. The team is comprised of professionals who previously held senior positions at accounting firms, regulatory and enforcement agencies and are supported by specialists from Kroll's various investigative practices, as well as the broader Kroll organization.

Our financial investigation professionals focus entirely on the forensic investigation of fraud, corruption and money laundering and associated asset recovery. As a result, we have a wealth of experience identifying and unravelling the methods used to conceal fraudulent and corrupt payments within books and records, as well as a real-time, global view of the latest techniques utilized to launder illicit funds and hide assets.

Using lean, highly-experienced teams, we combine our depth of understanding of a range of markets and sectors with the ability to deliver bespoke, end-to-end forensic investigations of the highest regulatory and court standard.

We invest heavily in technology and are at the forefront of developing new analytical methodologies. Our global network means that we can operate with local expertise virtually anywhere in the world.

FORENSIC INVESTIGATIONS

Kroll's forensic accountants and financial investigators are experts in conducting forensic analysis.



HUMAN INTELLIGENCE

Kroll's team uses developed sources with firsthand knowledge of events, individuals and industry activity to help contribute valuable intelligence, such as previously unidentified jurisdictions or asset holding structures.



INVESTIGATIVE RESEARCH

Asset traces require in-depth local knowledge and expertise focused on identifying, retrieving and analyzing all available information.



DEEP WEB ANALYSIS

We have developed a portfolio of tools that enable us to interrogate both the superficial web interface and content that may exist in the unindexed deep web and in the internet's infrastructure.



Our Methodology

How Can We Help

We have years of experience helping clients identify and investigate problems and identifying the various strategies available to address them.

- **Formal liquidation**

We can work with counsel, the board and/or management to effect a formal wind-down of onshore and offshore investment vehicles. Options include the use of voluntary and court-supervised liquidations, bankruptcy filings, as well as liquidating trusts. Alternatively, we can work with the board and relevant stakeholders to bring about a successful orderly wind-down of the structure.

- **Global restructuring**

Increasingly, circumstances arise where a global view must be taken to restructure an international investment structure or organization. Our global presence and/or alliances in certain jurisdictions allow us to assume the necessary formal roles in which we can coordinate an effective global restructuring process. In doing so, we can, as needed, draw on our other key practices (Transaction Opinions, Valuation Advisory and Corporate Finance) and industry experts to execute a successful restructuring.

- **Managed workout of illiquid portfolios**

We can step in as general partner/investment manager in the wind-down of illiquid structures. This may also involve the establishment of a liquidating trust with Kroll as the trustee, enabling the legacy structure to be closed without the burden of the illiquid positions and related issues.

- **Disputes and investigations**

In challenging situations, including where fraud or misconduct is suspected, the powers available under both onshore and offshore insolvency regimes provide effective means to investigate the issues, identify those responsible and, wherever possible, recover value. We will work with onshore and offshore counsel to assess and implement recovery actions in the most appropriate jurisdictions. Drawing on Kroll's Financial Investigations practice, we provide world leading investigative expertise and optimize recoveries for our stakeholders.

- **Structured or unstructured asset sale**

We can develop and manage a coordinated sales mandate, with the assistance of existing professionals (investment and otherwise as needed) and leveraging our significant network of strategic buyers.

- **Licensed broker-dealer business**

We can act as a licensed broker-dealer to effect securities transactions.

- **Independent review**

We may be appointed by the board or investors to review and report on the past and future efforts of management in realizing an illiquid portfolio, taking into account the valuation methodology and sales efforts. Alternatively, we may be appointed by concerned secured parties and/or bondholders to review and report on the current state of affairs of the structure, be it at a corporate or a group level, domestic or offshore or multinational.

Our Experience

Members of our team have been appointed on a number of corporate failures and liquidations both in onshore and offshore jurisdictions, including the following:

- **Bear Stearns High Grade and Enhanced Leverage Offshore Feeder Funds:** Appointed as official liquidator of two funds that incurred losses of USD \$1 billion (bn) Commenced U.S. legal actions; recoveries to date have exceeded USD \$300 million (mn)
- **Sand Springs Funds:** Appointed as replacement manager to nine offshore and onshore entities under Chapter 11 protection. Key role included the realization of the remaining assets of the company, which included a USD 50 mn collateralized debt obligation (CDO) and certain PE investments.
- **SAAD Investments Finance Company (No. 5 Limited):** Liquidator of USD 150 mn fund of PE funds; entity also embroiled in a USD 9 bn fraud originating in the Middle East. Key roles included the divestiture of the company's asset portfolio and dealing with the large fraud dispute. Also required to obtain Chapter 15 recognition in the U.S.
- **OSS Fund:** Appointed as liquidator to wind up a master/feeder investment structure comprising Cayman and U.S. entities. Our role included establishing a liquidating trust and acting as trustee in respect of the remaining illiquid assets.
- **Palm Beach Offshore and Lancelot Investors Fund:** Official liquidator to two offshore funds that were the largest victims of the Petters' Ponzi scheme (accounting for USD 2.5 bn of the total loss). Key roles included the review and investigation into the affairs of the funds, commencement of recovery actions for investors and dealing within the U.S. bankruptcy courts.

- **Mezzanine Financing/Consistent Return/Nauticus/ Silverback Funds:** Liquidator to a Cayman/Bahamas fund structure utilized in a USD 400 mn fraud out of Germany. Assets included aircraft, luxury real estate, and hedge fund interests. Dealings with foreign authorities in both the U.S. and Europe were required.
- **Aramid Entertainment Fund:** Liquidator to a USD 100 mn offshore film financing fund. Key roles included the filing of Chapter 11 proceedings, management and resolution of large scale and complex litigation, and the realization of the fund's film library.
- **Soundview Funds:** Retained as financial advisor to the Chapter 11 trustee regarding the bankruptcy of six offshore hedge funds. Key roles included the investigation to determine the fraud perpetrated on the funds and assisting the trustee in determining and bringing all available recovery actions. Also conducted the sales process of the funds' remaining holdings.
- **Highview Point Offshore Limited:** Retained by the board of an offshore hedge fund to defend actions by a U.S. receiver over the freezing of the fund's assets. Key role included proving that the fund's assets were not hopelessly commingled with another structure utilized in a Ponzi scheme. Also assisted the board and counsel in tracing assets internationally in the U.S., the Caribbean and Venezuela.
- **Security Capital Limited:** Appointed official liquidator of an offshore structure subject to U.S. tax evasion investigation. Key roles included dealing with various stakeholders, participating in related Chapter 11 filings, dealing with SEC/IRS actions, and the realization of the entities remaining USD 125 mn of assets.
- **The Abraaj Group:** Engaged to act as independent director of the Abraaj Fund. Our role has been to lead forensic investigations into the fund's history, pursue potential claims the fund may hold against third parties and realize the remaining significant assets in excess of USD 800 mn.
- **Amazonia:** Appointed as liquidator to an entity registered in Gibraltar which had been utilized in an international effort to monetize a judgement obtained fraudulently.
- **Weaving Capital:** Appointed liquidator of the UK management entity over the failed Weaving Macro fund which collapsed causing investor losses of USD 500 mn. Procured a USD 450 mn civil judgement against certain of the management insiders. Assisted the Serious Fraud Office in the subsequent prosecution of the founding directors.
- **Multinational Corporation:** Retained by a victim of a significant fraud whereby a criminal gang transferred hundreds of millions of dollars from a foreign subsidiary to fake beneficiaries around the world. Kroll's work led to significant recoveries for the client by, tracing of the proceeds of the fraud, investigating the beneficiaries of the proceeds of the fraud, and establishing groupings of laundering networks amongst the beneficiary entities.
- **Middle Eastern Bank:** Retained to recover the proceeds of a multi-million dollar fraud that had been perpetrated by former senior management of the bank. Kroll's work across multiple jurisdictions in Europe, the Middle East, Southeast Asia and the U.S. identified a range of assets owned or controlled by the perpetrators. The body of evidence regarding asset ownership enabled the client's counsel to recover the proceeds of the fraud through a settlement with the individuals.
- **Moscow-based financial institution:** Appointed to investigate concerns regarding an apparent USD 150 mn loss in its London-based fixed-income trading team. Assisted the client to identify potential wrongdoers and beneficiaries and provide forensic evidence to initiate legal proceedings in London, freeze known assets, obtain disclosure, trace the proceeds of the fraud, and identify assets purchased with the proceeds including high-end property in London and Switzerland, classic cars, shares, diamonds, and other valuable antiques.

Why clients turn to Kroll first

A True Global Firm

We are a truly global firm. Engaging our offshore restructuring team provides access to over 250 in-country restructuring professionals across our 70+ worldwide offices.

Offshore Presence

Having a long-established restructuring firm in the Cayman Islands, we have exceptional restructuring and insolvency experience in the world's pre-eminent offshore jurisdiction for investment funds, and we have led some of the most high-profile offshore restructuring cases in the last decade.

Innovative Solutions

Our team seeks to identify innovative solutions to restore value that are overlooked by our competitors. Our unparalleled experience, relentless commercial focus and creative approach to unlocking value in investment structures ensure the best possible return to stakeholders.

Identifying Opportunities

As a world leader in asset-tracing, investigations and valuation we can identify the value realization opportunities in an investment structure quickly and act on them decisively.

Industry Experience

Our scale has enabled us to specialize and develop deep expertise in numerous industries. This sector knowledge helps us to quickly understand the context within which our services are needed, and the key issues and challenges being faced.

Value of Independence

We are a truly independent financial advisor. Because Kroll is not an accounting or audit firm, professional conflicts of interest are less likely to preclude our appointment or arise in the course of an engagement. We complete robust conflict identification procedures prior to all appointments.

Technical Expertise

The breadth of our restructuring and advisory services allows us to fully explore all the available options on behalf of our clients. We can quickly mobilize a bespoke team with the appropriate blend of technical knowledge and situational experience, as well as language and cultural understanding.

Investigative Expertise and Asset Recovery Capabilities

We have an unparalleled track record in providing exceptional results from our financial investigations. Utilizing Kroll's advanced forensic investigation techniques, deep web analysis, investigative research and human intelligence we can ensure clients a first-class investigative outcome.



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About Kroll

Kroll is the world's premier provider of services and digital products related to governance, risk and transparency. We work with clients across diverse sectors in the areas of valuation, expert services, investigations, cyber security, corporate finance, restructuring, legal and business solutions, data analytics and regulatory compliance. Our firm has nearly 5,000 professionals in 30 countries and territories around the world. For more information, visit www.kroll.com.

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