



Loan Participations

Learning from Past Mistakes

August 2012

During the 2008 financial crisis, as the number of troubled loans grew, lenders who had purchased or sold loan participations in those troubled loans faced the additional challenge of coordinating loan workouts with a lead lender or a participant which had their own ideas as to how to deal with problem loans. Often, a participant's involvement in choosing an appropriate course of action was dictated by the terms of the participation agreement or the financial condition of the lead lender. In some cases, it was a lender's reliance on participations that contributed to the lender's insolvency and ultimate failure. For the first time since the financial crisis, loan participations seem to be on the rise. To avoid a recurrence of the problems that lead lenders and participants have had to face recently, it is essential that lenders learn from their mistakes and structure participations appropriately.



With this in mind, Aldrich Bonnefin & Moore is pleased to invite you and your commercial lending staff to a seminar that covers the fundamentals of loan participations, as well as a checklist for the review of the form of participation agreement both as an initial matter and in the face of a troubled loan. This seminar will also provide an excellent networking opportunity for lenders seeking to sell loan participations and lenders seeking to purchase participations.

HIGHLIGHTS

Fundamentals of loan participations

- Loan participation vs. loan syndication
- Due diligence issues
- Requirements and impact of financial accounting standards

What to look for when reviewing a participation agreement

- Lead lender's standard of care
- Decision-making process
- Dispute resolution alternatives
- Provisions that trigger a credit participation

Dealing with a troubled loan in a participation

- Regulatory expectations
- Handling additional advances to the borrower
- Foreclosure and liquidation of collateral

Loan participation among affiliates

- Application of Regulation W
- State law requirements

Mark E. Aldrich, Esq., a principal of Aldrich Bonnefin & Moore PLC, is the head of the firm's Corporate Practice Group and its employment law practice. Mr. Aldrich has over 25 years of speaking experience and has been a panelist and lecturer for the Bankers' Compliance Group, California Bankers Association and other trade groups. Mr. Aldrich is former Chairman of the Financial Institutions Committee of the Business Law Section of the California State Bar.

Eric G. Baron, Esq., a principal of Aldrich Bonnefin & Moore, PLC, has been serving Bankers' Compliance Group members for over 21 years. Mr. Baron specializes in loan participations, loan syndications, commercial and real estate lending, commercial loan workouts, letter of credit transactions, environmental law, bankruptcy issues and employment law matters. Prior to becoming an attorney, Mr. Baron worked as a commercial loan officer with a regional bank in Washington D.C.



Our **Loan Participations Seminar** will be held in the following locations from 8:30 a.m. - 3:00 p.m.
You will need to note the specific location you are attending as hotels can vary from month to month.

LOCATIONS:	DATE:	HOTEL INFO:	PARKING:
SAN FRANCISCO	Wednesday, Aug. 1	Palace Hotel , 2 New Montgomery St.	We validate for hotel valet-parking only.
SAN JOSE	Thursday, Aug. 2	Hilton , 300 Almaden Blvd.	We validate for self-parking only.
ONTARIO	Monday, Aug. 6	Radisson Hotel Ontario Airport , 2200 East Holt Blvd.	Free self-parking is available.
SAN DIEGO	Tuesday, Aug. 7	Marriott Mission Valley , 8757 Rio San Diego Dr.	We validate for self-parking only.
GARDEN GROVE	Friday, Aug. 10	Anaheim Marriott Suites , 12015 Harbor Blvd.	Free self-parking is available.
SACRAMENTO	Tuesday, Aug. 14	Sheraton Grand Sacramento Hotel , 1230 J St.	Validated self-parking is available in garage on 13th Street, between I and J Streets. Valet-parking not validated.
MONROVIA	Friday, Aug. 17	Courtyard Marriott , 700 W. Huntington Drive	Free self-parking is available.
LOS ANGELES	Monday, Aug. 20	LAX Airport Marriott , 5855 West Century Blvd.	We validate for self-parking only.
SANTA BARBARA	Thursday, Aug. 23	Four Seasons Resort , The Biltmore , 1260 Channel Dr.	Free self-parking is available.
WOODLAND HILLS	Friday, Aug. 24	Warner Center Marriott , 21850 Oxnard St.	We validate for self-parking only.

REGISTRATION: To register, go to <http://register.bankerscompliancegroup.com/subadmin>. We recommend you register as soon as possible as registrations are accepted on a first-come, first-serve basis only. The registration deadline is 5 business days prior to the date of the seminar you wish to attend. Otherwise we are unable to assure you of a seat and materials. If you have any questions, or if you haven't registered online with us before, contact Paige Tyler at 800-742-3600 or PTyler@ABMLawFirm.com for assistance or to obtain a username and password.

REGISTRATION FEES FOR NON-MEMBERS: Non-member registration fee is \$750 for the first person attending from an institution and \$450 for each additional person from the same institution. We must receive your registration fees prior to the seminar date. **Non-members may pay by check or credit card.** To pay by credit card, follow the credit card instructions during the online registration process. We accept MasterCard, Visa and Discover cards. To pay by check, make checks payable and mail to **Aldrich Bonnefin & Moore, PLC, P.O. Box 19686, Irvine, CA 92623-1029**, along with a copy of your registration. Non-member registration fees (less \$50) will be refunded only if cancellation notice is received on or before Friday, July 27, 2012.

MATERIALS: For this seminar, Standard Procedures Manual #14, "Loan Participations," will be updated. Only those attendees designated by their institution will receive a manual. All attendees will receive an Agenda and Discussion Outline.

PURCHASE MANUAL COST: Members Only may purchase additional copies of SPM #14 for \$20.00 per copy during the month of August. BCG Members will be billed for extra manuals on their BCG bill.

PARKING: Note the parking validation rules for each location in the list above.

DRESS: We recommend layers, as the meeting rooms tend to vary in temperature.

FOOD: A continental breakfast will be provided. You will be on your own for lunch.

DISABILITIES: If you require special accommodation in order to fully participate in the seminar, please call Paige Tyler at 800-742-3600 to discuss your specific needs.

ACCREDITATION: MCLE: Aldrich Bonnefin & Moore, PLC certifies that this activity conforms to the standards for approved education activities prescribed by the rules and regulations of the State Bar of California governing MCLE. This activity has been approved in the amount of **4.75** hours.

CRCM: Certified Regulatory Compliance Managers must submit a request for approval directly to the Institute of Certified Bankers in order to receive continuing education credit (www.icbmembers.org and click on "Submit Continuing Education Credits)." This activity **may** be eligible for **5.75** hours of continuing education credit by the ICB.

CPE: Aldrich Bonnefin & Moore, PLC follows Continuing Education regulations as outlined in the California Accountancy Act. CE may be obtained for Certified Public Accountants and Public Accountants. This activity is eligible for **4.75** hours of CPE Continuing Education credit.

For additional information regarding the seminar, please contact Paige Tyler at (949) 553-0909 or toll free (BCG Members only) at (800) 742-3600.