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Fredrikson & Byron Wins Turnaround Management Association's 2017 Turnaround of the Year Award

Firm News

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Fredrikson & Byron won the 2017 Turnaround of the Year Award from the Turnaround Management Association (TMA) for the successful Chapter 11 plan of reorganization of Christ's Household of Faith, a Christian commune of 500 members based in St. Paul, Minnesota. The Turnaround of the Year Award recognizes the most successful turnarounds and impactful transactions. The successful conclusion of this case resulted in the preservation of the community and all of the homes of its members.

On May 5, 2017, Christ's Household of Faith, Inc., with the assistance of Fredrikson & Byron attorneys Ryan T. Murphy and Sarah M. Olson, obtained bankruptcy court approval of a Chapter 11 plan of reorganization. The plan restructures Christ's Household's debts so that its faith community is preserved and it can continue operating its more than 10 subsidiaries that run local businesses. The refinancing achieved in conjunction with the plan also results in forgiveness of approximately \$4 million in debt by a private equity fund that purchased the rights of Christ Household's previous bank.

The Chapter 11 case was commenced in December 2015 to stop three separate foreclosure actions commenced by the private equity fund in March 2014. If the private equity fund foreclosed on the properties, the faith community would have been destroyed, as more than 470 members—including more than 200 children—would have been forced to leave their homes, the income from the commercial property would have been lost and the business of the operating subsidiaries would likely have ceased.

Christ's Household's reorganization plan proposed a restructuring of secured debts and payment in full of unsecured debts over time.

The Turnaround Management Association is a global non-profit organization comprised of turnaround and corporate renewal professionals with more than 8,300 members in 55 chapters including 32 in North America. Members include turnaround practitioners, attorneys, accountants, advisors, liquidators, lenders, bankers, investors, executive recruiters and consultants, as well as academic, government and judicial employees.

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Fredrikson & Byron is a 275-attorney law firm based in Minneapolis, with offices in Bismarck, Des Moines, Fargo, St. Paul, Saltillo, Mexico, and Shanghai, China. Fredrikson & Byron has a reputation as the firm “where law and business meet”. Our attorneys bring business acumen and entrepreneurial thinking to work with clients, and operate as business advisors and strategic partners, as well as legal counselors. More information about the firm is available at www.fredlaw.com. Follow us on LinkedIn and on Twitter @FredriksonLaw.

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