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## Fredrikson & Byron Wins Turnaround Management Association's 2018 Transaction of the Year and Non-Profit Turnaround of the Year Awards

**Firm News**

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Fredrikson & Byron won two 2018 national awards from the Turnaround Management Association (TMA): the Small Company Transaction of the Year for First United Funding, LLC, and the Nonprofit Turnaround of the Year Award for Christ's Household of Faith. These awards recognize the most successful turnarounds and impactful transactions. The TMA will honor award recipients September 26-28 at The 2018 TMA Annual in Colorado Springs, Colorado.

### First United Funding, LLC

First United Funding, LLC loaned or purported to loan more than \$700 million to borrowers funded by the sale of participations to banks. In reality, First United was a Ponzi scheme that involved more than \$4 billion. Fredrikson & Byron represented Lighthouse Management Group—the Court-appointed receiver of First United. The result of the receivership was an almost unprecedented success with the victims receiving distributions totaling approximately \$91 million—99 percent of their claims. Fredrikson & Byron's representation of the receiver included establishing a process to identify victims and their claim amounts, collecting tens of millions of dollars in loans from borrowers, and commencing more than 70 actions across the country to recover funds for the benefit of the victims. In doing so, Fredrikson established new law on many issues, including methods for calculating and distributing assets in receiverships, and claw-back actions.

Fredrikson's legal team in the case included Ryan Murphy, Greg Karpenko, and Joseph Cassioppi.

### Christ's Household of Faith

In 2017, Christ's Household of Faith, Inc. (CHoF), with the assistance of Fredrikson & Byron attorneys Ryan Murphy and Sarah Olson, obtained bankruptcy court approval of a Chapter 11 plan of reorganization. The plan restructures CHoF'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

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the plan also results in forgiveness of approximately \$4 million in debt by a private equity fund that purchased the rights of CHoF's previous bank.

The Chapter 11 case was commenced in December 2015 to stop three separate foreclosure actions commenced by the private equity fund. 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. CHoF's reorganization plan proposed a restructuring of secured debts and payment in full of unsecured debts over time. Since confirmation of its reorganization plan, CHoF has met all of its obligations to creditors.

Fredrikson's legal team in this case included Ryan Murphy and Sarah Olson.

The Turnaround Management Association is the leading organization dedicated to turnaround management, corporate restructuring, and distressed investing. Established in 1988, TMA has more than 9,000 members in 55 chapters worldwide, including 32 in North America. Members include turnaround practitioners, attorneys, accountants, advisors, liquidators, executive recruiters, and consultants, as well as academic, government and judicial employees. For more information, visit [www.turnaround.org](http://www.turnaround.org).

**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 la [www.turnaround.org](http://www.turnaround.org) w 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](http://www.fredlaw.com). Follow us on LinkedIn and on Twitter @FredriksonLaw.