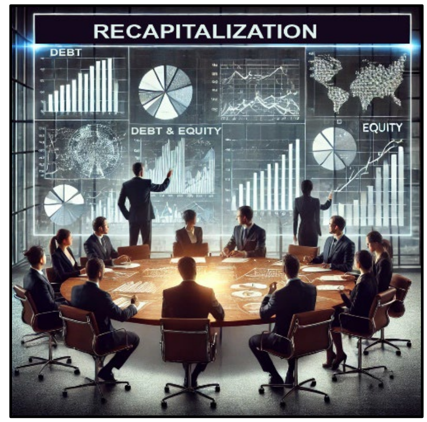
RECAPITALIZATION



Our recapitalization service centers on modifying a company's debt and equity composition to achieve a more stable capital structure. This may involve replacing preferred shares with bonds or adjusting the debt-to-equity ratio, ultimately aiming to enhance financial stability and structure. However, recapitalization is often intricate and challenging for distressed companies due to limited interest in the capital markets.

Recapitalization and bankruptcy are distinct strategies employed by companies facing financial distress.

On the other hand, bankruptcy represents a legal recourse permitting a company to either reorganize or liquidate assets to settle its debts with creditors. Although it offers a way to restructure a business—whether a corporation, sole proprietorship, or partnership—it is a costly and time-consuming process. Furthermore, bankruptcy can lead to the relinquishment of managerial control and have enduring, adverse effects on trade relationships, customer associations, and personal credit.

In summary, recapitalization involves adjusting a company's financing mix to bolster its capital structure, while bankruptcy is a legal mechanism for asset reorganization or liquidation to meet creditor obligations. Each strategy bears its unique advantages and complexities, necessitating a careful evaluation of the company's circumstances to determine the most suitable approach for addressing financial distress.