

NEWS

DEAL

REPORT

Hengeler Mueller advises Highstreet real estate joint venture in connection with landmark financial restructuring

The "Highstreet" entities, owners of a portfolio of about 90 department stores let to insolvent German retailer Karstadt, have successfully restructured their financial debt obligations.

The transaction involved one of the largest ever CMBS restructurings. A vast majority of bondholders of the "Fleet Street Finance Two" securitisation, holding a senior piece of the debt, have voted in favour of, inter alia, an extension of the bond maturity by three years, a landmark transaction in terms of CMBS restructuring.

Extensions of debt and covenant relief were also agreed with a further senior lender of Highstreet and more than 20 institutions holding various tranches in the Highstreet mezzanine debt.

These agreements were necessary to pave the way for rent concessions by Highstreet and premature return of department stores let to insolvent German retailer Karstadt requested by insolvency receiver Dr. Klaus Hubert Görg to support the insolvency plan and subsequent sale of Karstadt currently conducted by the receiver.

Hengeler Mueller has provided comprehensive advice to the Highstreet joint venture, sponsored by Whitehall, RREEF, Generali, Pirelli RE and Borletti, advising in the negotiations with Dr. Görg and the various creditor groups. The Hengeler Mueller team included partners Daniel Kress (Restructuring/Financing, Frankfurt), Martin M. Geiger (CMBS/Financing, London), Frank Burmeister, Thomas Müller (both M&A/Real Estate, Frankfurt) and Dirk Uwer (Public Law, Düsseldorf) as well as associates Florian Bentele (London/Frankfurt), Klaas Ziervogel (Frankfurt) and Simeon Held (Düsseldorf).

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3 March 2010

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