

Fourth Annual American Bankruptcy Institute
Corporate Restructuring Competition
Answers to Student Questions

1. *Should we modify the projections in the Assumptions tab if we decide to keep the Greenville Lease?*

Answer: The current model assumes that the Greenville lease is continued, therefore, if you decide to keep the lease, no modification to the projections is necessary. If you decide not to keep the lease, you should modify the projections in an adjustment tab for the avoided lease expense.

2. *It doesn't look like there is any place in the existing model where the receipt of Notes/Receivable from the South Carolina Department of Transportation has been included.*

Answer: Ross has elected not to recognize income relating to the sublease premium (i.e., rent over market) pending cash collection of the South Carolina Department of Transportation notes.

3. *A certain amount of Accounts Payable and Accrued Liabilities have already been reclassified as liabilities subject to compromise in the model. Is it necessary to factor these claims into our recovery analysis?*

Answer: Yes.

4. *In the existing model, have the losses from miscellaneous working capital items (i.e. the \$1.674 million owed by Harner) been written down? If not, should we use the adjustments tab to incorporate the economics of our decision regarding these items?*

Answer: No and yes, respectively.

5. *How many minutes do we have for each of the two presentations?*

Answer: Sixty minutes, pessimism noted.

6. *With regard to potential Dothan sale to Adams - what is the current volume of Impact glass (in square feet) produced at Dothan for internal consumption by Miami, Gulfport and Marietta factories – i.e., not sold to Adams?*

Answer: Two million square feet.

7. *With regard section 2 of the Adams Brothers Letter of Intent to purchase Dothan, is this supply contract for exactly 2 million square feet of Impact glass or up to 2 million square feet of Impact glass?*

Answer: Exactly two million square feet.

8. *Is it fine to do the case as pre-pack process if there is no any guidance on time in bankruptcy?*

Answer: No greater guidance than what is already included in the materials is available.

9. *Are we correct to assume that Buenzow obtains all its supply of glass from Dothan?*

Answer: Yes.

10. *Should we assume substantive consolidation of all subsidiaries in Chapter 11?*

Answer: The case does not include any legal analysis supporting substantive consolidation. No supplemental case directions are available.

11. *We would like to know if Buenzow's raw material glass is supplied exclusively from Dothan at cost.*

Answer: This supply is exclusive and at cost.

12. *To whom are the subordinated notes subordinated?*

Answer: The first and second lien credit facilities.