

**PRIVILEGED & CONFIDENTIAL**

**IN THE MATTER OF THE EFWON GROUP**

**I. INTRODUCTION**

1. I have been asked to advise Benedict Maximov (“**Mr Maximov**”) in his position as sole shareholder of Efwon Investment, a company incorporated in the state of Delaware, US (“**Efwon Delaware**”). It is my understanding that there are two additional entities within the Efwon group of companies, in particular: Efwon Trading (a company incorporated in accordance with the laws of England and Wales (“**Efwon England**”)), and Efwon Romania (a company incorporated in accordance with the laws of Romania). Efwon Delaware, Efwon England and Efwon Romania, shall together be referred to herein as the “**Efwon Group**”.
2. The purpose of this legal advice is to provide guidance on the insolvency issues affecting the companies in the Efwon Group, and to consider solutions which will facilitate a deal with KuasaNas (a Malaysian state company) going ahead.
3. Evidently, this legal advice covers US law and Romanian law. However, as I am an attorney who is qualified to advise on Cayman Islands law only, Mr Maximov is advised to seek confirmation of the positions set out in this advice from suitably qualified US and Romanian attorneys. I will be happy to assist Mr Maximov with his referral to specialist insolvency & restructuring attorneys within the said jurisdictions, as necessary.

**II. STRUCTURE OF THIS ADVICE**

4. This advice contains the following sections:

<b>Section</b>	<b>Title</b>	<b>Page Number</b>
<b>III</b>	Summary of Advice	<b>2</b>
<b>IV</b>	Background	<b>2</b>
<b>V</b>	Proposed Strategy	<b>4</b>
	<i>Efwon Delaware</i>	<b>4</b>
	<i>Efwon Romania</i>	<b>7</b>
	<i>Efwon England &amp; Efwon HK</i>	<b>11</b>
<b>VI</b>	Conclusion	<b>11</b>
	<b>Appendix</b>	<b>12</b>

5. The Appendix to this advice lists the materials I have reviewed for the advice. You will note from the advice that some of my Instructions are either unclear or appear incomplete.

Insofar as more information becomes available to you, please provide me with the same, as it may affect the advice I have given.

### III. SUMMARY OF MY ADVICE

6. Subject to the confirmation and advice of suitably qualified US and Romanian attorneys, Mr Maximov is advised:

6.1 to take steps to ensure that Chapter 11 restructuring proceedings are commenced in respect of Efwon Delaware. Such proceedings are necessary in order to deal with a variety of issues, including: (i) to avoid foreclosure on security by the syndicate of banks; (ii) to adjust the terms of the loan agreement with the syndicate of banks to avoid a default on maturity; and (iii) to adjust the terms of the security provided to the syndicate of banks, in order to release part of the security over the shares in Efwon Delaware. Chapter 11 proceedings may have the benefit of being recognised internationally (as and when required) pursuant to the Model Law.

6.2 to take steps to commence restructuring proceedings in Romania pursuant to the Restructuring Directive (as defined below) in order to allow the claims filed by the Formula 1 drivers to be stayed, and the freezing injunction to be lifted pursuant to the stay and/or pursuant to negotiations with the drivers' attorneys.

7. It is anticipated that those two actions can prevent the syndicate of banks from taking steps which could result in Efwon Delaware's insolvency, while at the same time enabling a restructuring of the lending agreement and security arrangement between the syndicate of banks and Efwon Delaware, in order to enable the transfer of a 51% shareholding to KuasaNas. It will also allow Efwon Romania to avoid a default in its lending relationship to Efwon England,<sup>1</sup> and could allow it to settle the claims with the Formula 1 drivers such that it may be in a more stable position going forward.

### IV. BACKGROUND

8. The following forms my understanding of the background facts and the context in which I am advising:

9. Mr Maximov incorporated Efwon Delaware in 2010 with the aim of investing in Formula 1 ("F1") racecar driving.

10. Mr Maximov, as sole shareholder of Efwon Delaware, invested US\$100 million in the company and a further US\$250 million was invested by a syndicate of banks (the "Loan-1"). Loan-1 has a 10-year maturity date, with an interest rate of LIBOR + 2%. Loan-1 is

---

<sup>1</sup> Which in turn avoids any impact on the lending relationship between Efwon England and Efwon Delaware.

secured in three ways: (i) on a number of Mr Maximov's homes (to the collective value of US\$75m); (ii) with a pledge on the projected revenue of the investment; and (iii) with a pledge over the shares of Efwon Delaware. Mr Maximov also agreed to a negative pledge for the entire value of Loan-1.

11. Mr Maximov then incorporated Efwon England, of which the shares are wholly owned by Efwon Delaware. The entirety of the assets of Efwon Delaware (at US\$350m) were then invested in Efwon England, by way of loan ("**Loan-2**"), for the purpose of setting up or acquiring an F1 team. Loan-2 was secured on the future revenue of Efwon England's trading activity.
12. Finally, in late 2010 Efwon England incorporated Efwon Romania, a wholly-owned subsidiary, in order to acquire a struggling Romania F1 team.
13. Efwon England invested US\$100 million as projected budget for the first racing year (in 2011), and again in 2012 and 2013. In order to attract outside funding for Efwon England, Mr Maximov set up Efwon Hong Kong ("**Efwon HK**"), with the aim of seeking a funder in the Far East. For the 2014 season Efwon England obtained a US\$100 million loan from a funder in Monaco with a high interest rate, and secured over the trading revenues of Efwon England ("**Loan-3**").
14. In 2013, Efwon HK secured a sponsorship deal for five years (from 2015-2020) with Kretek (an Indonesian company). However, at the end of 2017, Kretek indicated that it would not be renewing its sponsorship deal in 2020.
15. A potential deal for sponsorship is currently on the table with a Malaysian state company, KuasaNas.
16. Pending the Malaysian government's approval of the sponsorship deal with KuasaNas, the Romanian F1 drivers were injured in the last race of the 2018 F1 season. Following the accident, the Romanian drivers have brought claims against Efwon Romania before the Romanian Court (the "**Claims**"). Attorneys acting on behalf of the Romanian drivers have filed a winding-up petition for the insolvency of Efwon Romania, and have obtained freezing injunctions over the assets and income of Efwon Romania, pending a winding-up order being made. My Instructions have made clear that, if the freezing injunction remains in place, this will cause Efwon Romania to default on its loan to Efwon England (in early 2019), and Efwon England (in turn) to default on its loan obligations to Efwon Delaware.
17. If the sponsorship agreement between Efwon HK and KuasaNas is to occur, two conditions will need to be fulfilled: (i) KuasaNas will want to acquire a 51% stake in the F1 team; and (ii) all the insolvency issues currently facing the Efwon Group need to have been dealt with.

18. Insofar as I have misunderstood any aspect of the background facts, or important information is missing, do please let me know as it may affect my advice.

## V. PROPOSED STRATEGY

19. Below I set out various steps which may be taken by Mr Maximov and the companies within the Efwon Group, in order to ensure that various defaults in the lending relationships between Efwon Romania and Efwon England, and between Efwon England and Efwon Delaware, are avoided, and the sponsorship agreement with KuasaNas can go ahead (subject to approval by the Malaysian government).

20. Although the steps which have been set out below can be taken simultaneously (and doing so is advisable), I will discuss Mr Maximov's options for the group from the top down, starting with the parent company Efwon Delaware.

### **Efwon Delaware**

21. Although my instructions indicate that KuasaNas wants to acquire a 51% stake in Efwon's F1 team, if it is to enter into a sponsorship agreement with Efwon HK, it is not clear whether that 51% stake is to be held in Efwon Romania (as the apparent holder of the assets that make up the Efwon F1 team), or whether KuasaNas would want to ensure control in the Efwon Group through a 51% stake in the ultimate parent company, Efwon Delaware.

22. This advice proceeds on the basis that KuasaNas seeks a majority interest in Efwon Delaware.

23. On the basis that KuasaNas is seeking a 51% stake in Efwon Delaware, Mr Maximov is advised to consider commencing restructuring proceedings in relation to Efwon Delaware. Entering into restructuring negotiations is furthermore advisable in light of Loan-1, in relation to which the lenders, the syndicate of banks (the "**Banks**"), have indicated that they are considering foreclosing on their security.<sup>2</sup> The threatened foreclosure by the Banks would endanger a deal with KuasaNas, as Loan-1 is partly secured over the shares in Efwon Delaware. Loan-1 is, in addition, due to mature in 2020. I have no information about the repayment of Loan-1, but any issues with the maturity date can also be addressed in the restructuring process. Importantly, it is highly unlikely that KuasaNas would accept a transfer of shares in Efwon Delaware (from Mr Maximov) if such shares are encumbered, as they currently are, in favour of the Banks. It is, furthermore, unlikely that Efwon Delaware's agreement with the Banks would allow an unencumbered transfer of the shares, as it would erode their security.

---

<sup>2</sup> Although not entirely clear from my Instructions, this advice is written on the assumption that the lending relationship in relation to Loan-1 is between the Banks and Efwon Delaware, rather than (e.g.) the Banks and Mr Maximov.

24. In the circumstances, it will be important to enter into (restructuring) negotiations with the Banks, in any event, but (subject to confirmation by suitably qualified US attorneys (“**US Counsel**”)) my advice would be that Chapter 11 of the US Bankruptcy Code provides a suitable framework for such restructuring negotiations, for the following reasons:

24.1 It is open to Efwon Delaware to commence Chapter 11 proceedings, despite not currently being insolvent (or even at risk of insolvency). Such restructuring proceedings can be commenced relatively easily through Efwon Delaware’s own petition for relief to the clerk of the relevant Bankruptcy Court.<sup>3</sup>

24.2 Chapter 11 has the benefit that it will allow the existing management of Efwon Delaware to remain *in situ* (as “*debtor in possession*”),<sup>4</sup> which may be important to ensure the continued smooth operation of Efwon Group’s F1 business. I would consider it highly unlikely that a Court would instead appoint a trustee, as this is usually only done in cases of fraud, dishonesty, incompetence or gross mismanagement,<sup>5</sup> which are all non-existent in this case.

24.3 However, despite remaining in control, a creditors’ committee will be appointed, which will monitor Efwon Delaware’s operations, will consult and will exercise a degree of influence over the process.<sup>6</sup> Generally unsecured creditors will have a seat on such a committee, which would therefore include Mr Maximov. Additional committees of creditors may be appointed, including of equity security holders.

24.4 The commencement of Chapter 11 proceedings triggers an automatic stay,<sup>7</sup> which will ensure that the Banks will not be able to exercise their security rights without the prior permission of the Bankruptcy Court. This, in turn will allow Mr Maximov an opportunity to enter into negotiations with the Banks in relation to the terms of and repayment of Loan-1, and the adjustment of their security.

24.5 After commencement of the Chapter 11 proceedings, and the automatic stay is in place, Efwon Delaware will have an exclusive right for 120 days to propose a restructuring plan.<sup>8</sup> A plan can include a wide range of measures, including (relevant to this case) a cancellation of debt, sale of assets, and modifications in the amount, interest rate or maturity of outstanding debt. A plan may also allow for a change in equity interests.

---

<sup>3</sup> 11 USC § 301(a). Various (locations of) Courts may be available to Efwon Delaware. As some Courts may be more favourable than others, I would suggest that this forms part of our discussion with US Counsel.

<sup>4</sup> 11 USC § 1107.

<sup>5</sup> 11 USC § 1104(a)(1).

<sup>6</sup> 11 USC § 1102.

<sup>7</sup> 11 USC § 362(a).

<sup>8</sup> 11 USC § 1121(b).

- 24.6 A restructuring plan must generally be accepted by a majority of the creditors (or per class by at least two-thirds in amount and more than one-half in number of the allowed claims),<sup>9</sup> and the bankruptcy court.<sup>10</sup> However, the court may force objecting creditors to accept the terms of the plan, as long as the plan is fair and equitable. This is referred to as a “*cram down*”.
25. In the circumstances of this case, the restructuring plan for Efwon Delaware must provide for the terms of Loan-1 to be adjusted. One of the necessary adjustments will be to the security offered to the Banks. That security over the shares in Efwon Delaware will have to be partly removed to allow 51% of those shares to be transferred to KuasaNas unencumbered. I would advise Mr Maximov and Efwon Delaware to obtain specialist advice from US Counsel in order to consider the exact terms of any restructuring plan. It will be particularly important to consider the rules of the US Bankruptcy Code that deal with secured creditors. In particular, the rules of Chapter 11 require that secured creditors are “*adequately protected*” failing which they may obtain permission from the US Bankruptcy Court to enforce security rights.<sup>11</sup> This may not be a problem if the value of the Banks’ security exceeds the amount of their debt. However, I currently have insufficient information in relation to the same.
26. For a restructuring plan to be successful, it will need to be accepted by a majority of Efwon Delaware’s creditors. In order to assess whether this is feasible I would need a more precise overview of all of Efwon Delaware’s creditors and the value of their claims. At this time, the only creditors I am aware of are Mr Maximov (at US\$100m) and the Banks (at US\$250m).
27. Although the Banks may not necessarily support a plan which alters their security, they may be convinced on the basis that KausaNas’ sponsorship may result in an increase in revenue and therefore funds flowing up to Efwon Delaware, ultimately for the repayment of Loan-1. In any event, provided certain conditions are met, a restructuring plan can be imposed on creditors, even if they object. More specifically, the bankruptcy court may approve a plan and bind an objecting class of creditors (such as, for example, the Banks), if it considers the plan to be in the “*best interest of creditors*”. The Court will also want to determine that the plan is feasible.
28. Considering that the Banks rely on revenue streams for repayment, and the tangible assets of Efwon Delaware appear to be limited, it appears to me that the Bank would be less likely to do well in an insolvency. As such, a restructuring plan with the features set out above may well be considered in their best interest.

---

<sup>9</sup> 11 USC § 1126(c).

<sup>10</sup> 11 USC § 1129.

<sup>11</sup> 11 USC § 361.

29. The proposed course of action should alleviate and ultimately resolve the threat of foreclosure by the Bank, as well as ensure that arrangement can be made to allow KuasaNas a 51% stake in the F1 team (as and when it has received the go-ahead from the Malaysian government). However, it does not resolve the issues experienced by Efwon Romania, in terms of the freezing injunction and the Claims issued by the F1 drivers.
30. Although the assets covered by Chapter 11 of the US Bankruptcy Code are stated to be all property of the debtor (here: Efwon Delaware) "*wherever located and by whomever held*",<sup>12</sup> there are contradictory authorities as to whether or not this has extra-territorial effect and therefore covers property located outside of the United States (such as in Romania). I would not advise Mr Maximov to rely on any possible extra-territorial effect of the Chapter 11 proceedings, as it would require the countries within which the property is located (such as Romania) to recognise and abide by any decisions of the US Bankruptcy Court. Although the proceedings pursuant to Chapter 11 should be widely recognised pursuant to the Model Law,<sup>13</sup> which was also adopted by Romania in 2002, the Chapter 11 proceedings are unable to address the issues faced in Romania such as the freezing injunction and the Claims. It will likely be more efficient (and likely more successful) for Efwon Romania to commence local restructuring proceedings, as I will explain below.

### **Efwon Romania**

31. It is not entirely clear from my Instructions whether there is only a risk of default in the lending relationship between Efwon Romania and Efwon England due to the freezing injunction which is in place, or whether there is *also* a risk of default of a contractual nature. As a matter of course, lending agreements include default clauses based on insolvency proceedings being commenced. In order to provide appropriate advice in relation hereto, I would suggest that Mr Maximov sends me the relevant lending agreements between Efwon Romania and Efwon England, between Efwon England and Efwon Delaware, as well as between Efwon England and the Monaco lender (together herein referred to as the "**Loan Agreements**").
32. On the assumption that the Loan Agreements (or any of them) will include clauses which trigger a default on the commencement of insolvency proceedings, I would not advise Mr Maximov to pursue the commencement of insolvency proceedings (for Efwon Romania)

---

<sup>12</sup> 11 USC § 541.

<sup>13</sup> On the basis of the overall supervision which the US Bankruptcy Court provides in relation to Chapter 11 proceedings, the proceedings are likely to be considered "*collective*", "*judicial*" and "*subject to the control or supervision by a foreign court*" (within the meaning of article 2(a) of the Model Law). However, ultimately recognition will be a matter for the recognising Court.

pursuant to the European Regulation 2015/848 on Insolvency Proceedings (the “**European Insolvency Regulation**”).<sup>14</sup>

33. Even without the risk of a default being triggered by contractual terms in the Loan Agreements, the European Insolvency Regulation would likely be of limited assistance. Although the European Insolvency Regulation, per article 1(1)(c), also applies to proceedings where a temporary stay is granted by the court in order to allow for negotiations between the debtor and creditors, and in situations where there is only a likelihood of insolvency and the purpose of the proceedings is to avoid insolvency, its effect on pending lawsuits is solely governed by the law of the relevant Member State in which the lawsuit is pending; here Romania. As such, the European Insolvency Regulation provides no guarantees that either the Claims or the freezing injunction may be stayed pending negotiations between Efwon Romania, the drivers and other debtors.
34. Nevertheless, the European Union does provide alternative legislation, in the form of the EU Directive 2019/1023 on preventive restructuring frameworks (the “**Restructuring Directive**”), which could be useful in the situation that Efwon Romania finds itself in.

#### The Restructuring Directive

35. Romania has fully implemented the Restructuring Directive. Although I am unaware of the specific legal provisions by which Romania has implemented the Restructuring Directive, a proceeding pursuant to the Restructuring Directive is worth considering for the purpose of avoiding a winding up order being made against Efwon Romania, and any possible resulting default which would occur, as well as to allow Efwon Romania time to negotiate with the drivers in relation to the Claims and the freezing injunction that is in place.
36. Although specialist Romanian advice must be obtained to know exactly what restructuring framework Romania has to offer, the following beneficial aspect *will* necessarily form part of Romania’s implementation of the Restructuring Directive:
  - 36.1 The use of the Restructuring Directive for the implementation of a restructuring framework should be available on application by Efwon Romania (as debtor) (art. 4(1) and 4(7) Restructuring Directive), thereby allowing Efwon Romania a degree of control over the restructuring process and the restructuring plan to be put in place. It may also be that Romania has included a provision to allow creditors to apply for a restructuring framework, subject to the agreement of the debtor (art. 4(8) Restructuring Directive). If so, Efwon England and Efwon Romania can jointly work on a restructuring proposal, which may assist as Efwon England is likely to be the major creditor of Efwon (at US\$200m).

---

<sup>14</sup> This advice is written on the assumption that the relevant insolvency proceedings of this Case Study take place post-2017, and that therefore European Regulation 2015/848 on Insolvency Proceedings is applicable, rather than the original Council Regulation (EC) No. 1346/2000.



36.2 In anticipation of a restructuring plan the debtor can apply for and obtain a moratorium to support the negotiations of a restructuring plan (art. 6(1) Restructuring Directive). Such a moratorium would result in all types of claims (including secured and preferential claims) being stayed. However, it is important to note that the moratorium does not in principle apply to workers' claims (art. 6(5) Restructuring Directive), which I shall address further below at paragraph 37.1.

36.3 The moratorium has the effect of suspending insolvency proceedings brought by a creditor for the duration of the stay, pursuant to article 7(2) of the Restructuring Directive. Although this must be confirmed by Instructions, it is currently my understanding that the drivers' winding-up petition must have been filed in their capacity as *contingent* creditors on the basis of the ongoing Claims. It is also my understanding that those insolvency proceedings are separate from the Claims, and therefore not affected by the "*workers' claims*" carve-out as discussed at paragraph 37.1. If so,<sup>15</sup> it means that our aim of avoiding Efwon Romania from entering liquidation, thereby triggering default provisions with Efwon England, can be achieved by the use of a restructuring framework governed by the Restructuring Directive.

36.4 The Restructuring Directive allows for a restructuring plan to contain different classes of creditors. As such, Efwon Romania can (for example) create different classes for its trade creditors (if any), the rights (and debts) of its employees (including the F1 drivers), and a separate category in respect of the Claims. A full list of what information a restructuring plan should contain can be found at article 8 of the Restructuring Directive. Any plan will have to be approved by (a maximum) of 75% of the amount (which I take to mean value) of the claims and interests in a class *or* the number of affected parties in the class (article 9 Restructuring Directive). Advice from a Romanian attorney will need to be obtained to confirm whether the restructuring plan would require confirmation from a judicial or administrative authority (see article 10 Restructuring Directive). It is important to note that a restructuring plan may have the benefit of a "*cross-class cram-down*", meaning that a plan may still be confirmed by a judicial or administrative authority even if a class of creditors (for example in respect of the Claims) votes against the restructuring plan, provided certain conditions are satisfied, including a "*best-interest-of-creditors test*" (art. 11 and art. 10(2)(e) Restructuring Directive).

37. However, I would advise that specialist Romanian legal advice is obtained in relation to the possible use of the Restructuring Directive generally, but in relation to the following matters in particular:

---

<sup>15</sup> And in respect hereof, I would strongly encourage you to seek confirmation from a Romanian attorney that my understanding is correct.

- 37.1 Article 1(5)(a) of the Restructuring Directive allows member states to exclude certain claims from the effects of the instrument. In particular “*existing and future claims of existing or former workers*”. “*Workers*” are, it appears, employees. “*Workers’ claims*” are also excluded by art. 6(5) of the Restructuring Directive. However, Member States are allowed to derogate from this carve-out, if they “*ensure that the payment of such claims is guaranteed in preventive restructuring frameworks at a similar level of protection*”. Therefore, depending on Romania’s implementation of the Restructuring Directive, and whether they have given effect to articles 1(5)(a) and 6(5), this could result in the Claims continuing, despite a moratorium being in place. Although a continuation of the Claims would not result in a default, it would be inconvenient to have them continue while restructuring negotiations are ongoing. This possibility would be a suboptimal result, and must be considered.<sup>16</sup>
- 37.2 Article 6(1) of the Restructuring Directive stipulates that a debtor of a restructuring proposal shall remain totally, or at least partially, in control of its assets and day-to-day operation of its business. The difference between remaining “*totally*” or “*partially*” in control is, of course, significant. Particularly depending on what aspect of control would be relinquished in circumstances where the directors of Efwon Romania could *not* remain totally in control. It may also depend on the nature of the practitioner appointed; i.e. whether they are perceived as hostile or friendly. These are aspects in relation to which specialist Romanian advice should be sought.
- 37.3 It is important to note that Member States may derogate from the provision that insolvency proceedings are stayed upon the commencement of a moratorium pursuant to article 6(1) of the Restructuring Directive (article 7(3) Restructuring Directive). Considering the importance of article 7(2) to the aims of what you are trying to achieve, it will be paramount to establish whether Romania has derogated from the principle of a stay on insolvency proceedings.
38. Provided that the advice on Romanian law confirms that the Claims and the winding-up petition will be stayed as part of the moratorium, it will be important to start considering an appropriate restructuring plan. However, it is to be kept in mind that it will not be possible to derogate from the payment of the Claims (per article 6(5) of the Restructuring Directive), as such, the likely costs of the Claims will have to be provided for in any restructuring plan.
39. Finally, there is a further limit to the use of the Restructuring Directive, in that a moratorium will, initially, only be in place for four months (article 6(6) Restructuring Directive), after which it can be extended under certain conditions and for a limited amount of time of up to 12 months, only (article 6(8) Restructuring Directive). It therefore appears that any

---

<sup>16</sup> I would suggest that it may be possible, in those circumstances, to simply achieve a negotiated stay of the Claims as between the parties (outside of the provisions of the Restructuring Directive).

agreement with the F1 drivers in respect of the Claims, and the discharge of the freezing injunction, will have to be negotiated within that timeframe.

40. One thing to be mindful of is that the shares held by Efwon Romania in Efwon HK are likely to be one of Efwon Romania's most valuable assets, as Efwon HK is the entity which currently has the contract with Kretek and (in the future) will enter into the sponsorship agreement with KuasaNas. This asset will form part of the restructuring arrangements and any negotiations that Efwon Romania will be conducting to achieve a solution pursuant to the Restructuring Directive.

### **Efwon England & Efwon HK**

41. Considering that the proposed restructuring plans at the level of Efwon Delaware and Efwon Romania would address all the immediate issues that the Efwon Group is confronted with, I do not consider it necessary (at this stage) that any steps are taken either at the level of Efwon England or Efwon HK. However, this should be under continuous review as the situation evolves.
42. In light of my advice no issues in relation to Brexit arise. However, if Efwon England would also (or alternatively) need to seek a restructuring, it would likely need to do so by way of a scheme of arrangement,<sup>17</sup> in relation to which recognition in the European Union will be more difficult following Brexit. I need not advise on the details as the situation does not arise at this time.

## **VI. CONCLUSION**

43. On the basis of my advice, set out above, I would suggest that Mr Maximov take immediate steps to contact specialist US Counsel, as well as Romanian attorneys, in order to verify the accuracy of the advice given herein, and (assuming so) to take the necessary steps to commence restructuring proceedings in both the United States and Romania.
44. I remain at your disposal should you have queries about the above advice, or in the event you wish to clarify or elaborate on any of your Instructions such that I may have to reconsider the advice given above.

**Nienke Lillington**  
20 July 2023

---

<sup>17</sup> Likely pursuant to the Corporate Insolvency and Governance Act 2020.

## APPENDIX

### Documents reviewed:

1. My Instructions
2. UNCITRAL Model Law on Cross-Border Insolvency (1997) and Guide to Enactment and Interpretation (2013)
3. US Code – Chapter 11
4. European Regulation 2015/848 on Insolvency Proceedings
5. EU Directive 2019/1023 on Preventive Restructuring Frameworks
6. Bracewell & Giuliani, *Chapter 11 of the United States Bankruptcy Code: Background and Summary*, 2012
7. United Kingdom Companies Act 2006 – Part 26 (Arrangements and Reconstructions)
8. United Kingdom Corporate Insolvency and Governance Act 2020 (“**CIGA**”)