

Mats Carlston Quoted in Thomson Reuters Article on Asurion Blacklist

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Finance Practice Co-chair Mats Carlston was quoted in the *Thomson Reuters* article “Asurion Blocks 5,681 Companies from Buying \$2.73bn Loan” published on August 11, 2015. The article discusses technology insurance company Asurion’s recently issued blacklist document that bars 5,681 entities from joining a \$2.73 billion leveraged loan in a bid to stop its private information from potentially falling into the hands of competitors.

According to the article, blacklists have been used since the 1990s in the private \$840 billion U.S. leveraged loan market, which provides financing to non-investment-grade companies, to restrict private information and keep out investors that have been difficult in past deals. Asurion’s blacklist is among the most extensive and exhaustive to date, and their use is increasing.

“There is sensitivity among borrowers about leakage of proprietary information to competitors, as well as concerns about the long-term strategic motivation of a non-traditional lender,” Mr. Carlston said. “Vulture funds with a loan-to-own strategy are, of course, the classic disqualified lender.”

Mr. Carlston has more than 20 years of experience representing lead arrangers, agents, lenders, investors, sponsors, and borrowers in domestic and cross-border senior and junior financings, with an emphasis on leveraged buyouts and recapitalizations of private equity sponsored enterprises.

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