

Metals, Healthcare, Energy Sectors Face Significant Challenges

BY ALEXANDER A. CALDERONE, CTP, MARCH GUEST EDITOR



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When I last served as guest editor for the *JCR*, we focused exclusively on an industry familiar to most turnaround practitioners—construction contracting. This time around, readers have the opportunity to dive into a wealth of knowledge spanning a number of current and pervasive topics impacting the turnaround and restructuring profession.

Steve Roach and Ronald Spinner of Miller Canfield have co-authored an article on a familiar, but often overlooked, subject that we all find ourselves having to deal with from time to time—preference actions. The authors offer some helpful tips related to controlling preference exposure when dealing with distressed businesses.

Paul Labov and Audrey Noll of Fox Rothschild have contributed an article that anyone representing U.S. Bankruptcy Code Section 503(b)(9) claimants will want to read. Their message is simple, yet important: creating awareness of such claims at the first sight of a Section 363 asset sale is paramount to preserving their value.

This edition of *JCR* also includes four articles that speak to the issues faced by two of today's most distressed industries, healthcare and metals.

Max Newman of Butzel Long and Dr. L. Scott Grant have each contributed articles which speak to

the unparalleled challenges stemming out of the recently implemented "Obamacare" system. Both authors' perspectives are fascinating, and while penned from completely different points of view—Newman is a bankruptcy attorney, while Dr. Grant is a concierge physician—seem to lead us all to the same conclusion, namely that perhaps the only medical service that will ever truly be provided free of charge to us is our own autopsies.

Marc O'Neill, senior valuation director of Hilco Global, tells us that the current distress facing the metals industry is expected to continue through 2016. Finally, my article provides practical advice for turnaround practitioners who may happen to find themselves stepping onto the scene of a distressed steel service center.

Never before in my career have I seen such a polarized turnaround environment. The automotive industry that essentially gave birth to this profession is churning record profits, while metals dealers, healthcare providers, and energy companies are facing unprecedented challenges. The energy sector's woes—cheap oil and gas prices, in particular—are propping up other industries like the casino gaming business, which competes for the same dollars that would otherwise be spent at the pump. On top of all this, we have a volatile stock market in the mix, along with the imminent prospect of rising interest rates. One thing is certain: 2016 ought to be an interesting year for us all. ■