

# OUR PRACTICE

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## Vessel Finance and Recovery

**Baker Donelson's Vessel Finance and Recovery Team has decades of experience in the acquisition, finance, recovery and disposition of all types of U.S. and foreign vessels. We have the knowledge and in-depth understanding to handle every aspect of maritime finance and recovery triggered by the current volatility in the energy sector.**

Our vessel finance and recovery team includes professionals in the traditional maritime areas of marine insurance and risk management, maritime lien claims, maritime personal injury defense, cargo claims, charter parties, Jones Act compliance, collision and allision investigations and litigation. On the business side, our attorneys are experienced in vessel construction contracts, vessel purchase agreements, charter parties and alternative vessel operating/management agreements, sales and use taxes, documentation and collateralization of U.S. and foreign flagged vessels through preferred ship mortgages, financing under Title XI and use of the Capital Construction Fund.

### Vessel Recovery

The most recent decline in oil and gas prices has resulted in a serious reduction in exploration activities on the Outer Continental Shelf, which in turn has caused drastic pressure on day rates and utilization rates for supply and crew boats operating in the Gulf of Mexico. Operators are faced with liquidity and covenant problems, and are turning to significant cost containment and equity to weather the storm. If traditional turnaround strategies fail, lenders and lien holders may have no choice but to arrest the vessel(s). Baker Donelson attorneys have significant experience in both the prosecution of marine asset recovery as well as defending against maritime liens, arrests and seizures throughout the Gulf of Mexico and Mississippi River Valley.

By taking prompt action in a default situation, we can help you reduce your cost and maximize recovery. We assist in all aspects of the maritime arrest and sale process, including:

- Reviewing vessel documentation and preferred mortgage status;
- Analyzing U.S. Citizenship and Coastwise Trade issues;
- Identifying and coordinating with substitute custodian;
- Identifying an alternative berthing facility;
- Preparing and filing in rem Rule C Arrest and Rule B attachment pleadings;
- Coordinating physical arrest and sale with U.S. Marshal;
- Advising on credit bidding and deficiency judgment issues;
- Identifying potential buyers and consulting on marketing strategy;
- Preparing sale documents; and
- Defending against maritime lien claims, including challenging the validity of arrest/attachment and utilizing bankruptcy protection in the maritime context.

### Maritime and Vessel Finance

Our team's experience covers a broad range of energy-based and maritime transactions, including vessel construction and platform installation contracts, project finance, reserve-based loans secured by oil and gas reserves onshore and offshore, volumetric production payment financings, operation agreements and master service contracts, mezzanine financing and all manner of merger and acquisition agreements.

## Representative Marine Bankruptcy Matters

Baker Donelson has a long-standing history and solid reputation in traditional maritime representation, creditors' rights, restructuring and marine transactions. This combination means we can help clients respond to the significant reduction in commodity pricing and resulting exploration. Many of the members of the team have significant experience in the various cycles in the industries, some as far back as the crash of the 1980s. Additionally, members have assisted clients in connection with the sale of vessels and other marine assets in bankruptcy. We have represented creditors/debtors and creditors' committees in the following significant maritime related cases:

- American Classic Voyages
- ATP Oil & Gas Corporation
- Barnett Marine Company
- C&G Boat Works, Inc.
- Clean Harbors of Plaquemines
- Compass Marine Services
- Crescent City Development Company
- Deep Marine Holdings, Inc.
- Enron Corporation
- Forcenergy, Inc.
- Friede Goldman Halter
- Global Marine, Inc.
- Grand Palais Riverboat Casino
- Gulf Coast Oil Corporation
- Gulf Fleet Holdings, Inc.
- Gulf Inland Services, Inc.
- R&R Marine, Inc.
- Service Marine Industries
- Torch Offshore, Inc.
- Transamerican Natural Gas Corp.
- Trans-Texas Transportation Inc.
- Tri-Union Resources
- Wadleigh Enterprises
- Watson Energy



## Representative Matters

- Represented European financial institution in a first preferred ship mortgage foreclosure action against two parcel tankers in Houston and New Orleans. Numerous competing liens arising under the laws of various foreign countries had to be defended. Client successfully recovered proceeds in excess of \$45 million from the public auction sale of both ships.
- Involvement in multiple Rule B attachments and Rule C arrests on behalf of bunker suppliers for maritime lien claims against ocean-going cargo/tanker vessels.
- Served as counsel to lender on several term loans aggregating over \$30 million to inland marine transportation borrower secured by towboats and barges.
- Maritime arrest (pending) of charter fishing vessel Capt. Buddy (D.C., Maryland).
- Conducted maritime arrest, credit bid and sale to third party of Barge MOP 142, a deck barge with gravel processing equipment (Eastern District, Louisiana).
- Conducted maritime arrest, credit bid and sale to third party of Caribbean Sparkle pleasure craft (Southern District, Florida).

- Conducted maritime arrest, credit bid and sale to third party of M/V Guardian, an ocean-going tug (Eastern District, Louisiana).
- Conducted maritime arrest pursuant to Korean Kun Mortgage and credit bid of M/V Halla Grace (Eastern District, Louisiana).
- Conducted maritime arrest for necessaries claimants on numerous vessels including Titan 2, Titan 5, Noble Lifter and Noble Supporter (Eastern, Middle and Western Districts, Louisiana).
- Defense and judgment of wrongful arrest on behalf of the owner of M/V Marauder, M/V Raider and M/V Conquerer (Western District, Louisiana).
- Served as special maritime counsel to a major national bank in connection with a \$250 million nationally syndicated revolving credit facility for an East Coast based tug and barge operator.
- Served as maritime counsel to a global financial services conglomerate in connection with numerous vessel financings with customers throughout the U.S. that included both construction and permanent financing loans with an aggregate value between \$150 million – \$250 million.
- Represented a regional bank in connection with the default by an entity borrower and its guarantor of various loans secured by certain marine assets.