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Bloomberg Law Quotes Locke Lord Partner Jonathan Young on Rise of Cooperation Agreements

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Jonathan Young, Co-Chair of Locke Lord's Bankruptcy, Restructuring and Insolvency Practice Group, was quoted by Bloomberg Law regarding the rise of cooperation agreements among lender groups seeking to band together against opportunistic restructuring solutions proposed by distressed borrowers. Over the past several years, numerous borrowers — many private equity sponsored — have employed liability management exercises that accomplish a restructuring by placing similarly situated lenders in different parts of the go-forward capital structure. Young points out that the trend began because “there was running room” in the lending documents and covenants and further notes that “liability management exercises have worked in many cases because the credit documents permit them.”

Young further explains how cooperation agreements can be used to check and respond to a proposed liability management exercise. “It’s just a strong and effective response to that sort of strategic behavior,” he adds. “It really does as a matter of strategy force things onto a collective footing, very effectively and perhaps earlier in the process.”

[Read Jonathan Young and Jason Ulezalka's authored article on this topic.](#)

[Read the full Bloomberg Law article](#) (subscription may be required).

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