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The Deal Quotes Locke Lord's Jonathan Young and Jason Ulezalka on Evolution of Double Dip Transactions

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Jonathan Young, Washington, D.C., Partner and Co-Chair of Locke Lord's Bankruptcy, Restructuring and Insolvency Practice Group, and New York Partner **Jason Ulezalka** were quoted by The Deal regarding the caveats and twists tied to double dip transactions. The double dip technique has come into popularity as a liability management tool to improve borrowers' liquidity. Ulezalka explains, "What has changed is the double dip being used proactively by borrowers as an out-of-court restructuring tool as a way to help the liquidity of the company." Ulezalka then added, "The evolution we've seen is the use of this mechanism in the upper middle market, often in situations where there's a private equity sponsor backing the borrower."

Young shed further light on what's driving the double dip approach: "You've got creative equity sponsors in a tight and expensive debt market trying to squeeze every last bit of water out of the washcloth."

He goes on to explain, "You're taking a tight market, a leverage-heavy group of borrowers, and you're trying to move pieces on the board in a way where you can get that liquidity from the debt market, and hopefully, get it at a price that works for the larger corporate family."

[Read The Deal article](#) (subscription may be required)

Read Young and Ulezalka's article "[Locke Lord QuickStudy: The Double Dip: Guacamole Faux Pas ?or Liability Management ?Technique??](#)"

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