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Bondholders fight Plantation Place restructuring impasse

Bridget O'Connell 19/01/2011 16:59

A group of Plantation Place bondholders have rallied against Delancey's play for the City landmark.

In a notice issued today an "ad-hoc" group of bondholders and the junior lender reiterated their support for the recent restructuring proposal put forward by its consortium of owners to sell the 550,000 sq ft office on a consensual basis.

The owning consortium includes Invista Real Estate Investment Management, Tishman International, Stobart Group and Starion Group.

The bondholders added they will oppose any alternative proposal that may lead to an enforced sale of the underlying property or loan.

The notice comes after a single investor owning a 26% blocking stake in the bonds – thought to be private equity fund manager Delancey – voted down the restructuring proposals in December.

In the notice today the group added: "The number of notes held by these noteholders are sufficient to block any proposal that would require noteholder approval via an extraordinary resolution and together with the support of the junior lender are believed to be sufficient to block any form of scheme of arrangement or similar proposal."

Nassar Hussain, managing partner of Brookland Partners, which is advising the owning consortium, said: "This investor group collectively has sufficient holdings to block any alternative proposal which may seek to push through an enforced sale of the underlying loan or property and sends a strong public message to anyone contemplating such a strategy.

"The notice reinforces the strongly held views of the vast majority of creditors who believe the owners' proposal to be the best available solution to the current deadlock, as shown by the Noteholder vote on 23rd December in which over 82% of Noteholder votes were in favour of the owners' proposal, but which ultimately was not approved due to a single Class B Noteholder, holding approximately 2% of the Notes, voting against the proposal.

"The owners are continuing to discuss the proposal with the Class B Noteholders to obtain the necessary support prior to a Class B Noteholder meeting on 31 January 2010 at which a further vote will be held."

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