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# Steel and Metals Industry Group Information

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## *Executive Summary*

Substantial businesses seeking legal counsel today face a true dilemma. The issues that confront them are nearly always urgent and complex. Strategies must be developed and implemented without delay. In addition to knowing the law, their lawyers must understand the client's industry and business objectives.

Keevican Weiss Bauerle & Hirsch LLC is a service-focused law firm that has built its reputation on providing practical business legal advice to its clients. What makes the Firm stand out is its understanding of its clients' needs as well the access it offers to the capital markets through its subsidiary, Renaissance Partners, LLC.

Keevican Weiss Bauerle & Hirsch's experience has tracked the metals industry's evolution over the past three decades. Members of the Firm have served as board members and executive officers of integrated steel companies and specialty metals manufacturers. The Firm is regularly hired to effect acquisitions within the industry because of its ability to understand and resolve the inherent difficulties in order to complete the transaction efficiently. It has participated in collective bargaining negotiations for some of the largest and most influential steel and metal companies in the world as well as numerous smaller providers and suppliers.

From the Firm's role in the restructuring of the steel industry in the early part of this decade to its current work to purchase, refinance, and expand existing steel businesses, it knows the critical strategies and economic factors that affect the industry. When retained for metals industry matters, the Firm does not need to dedicate precious resources to understand the organization's strengths and weaknesses. Keevican Weiss Bauerle & Hirsch's understanding of the metals industry—from the industry's management to the historical economic, labor and market trends that affect the industry—creates a critical component for a highly successful representation and makes the Firm unique in its qualifications.

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## *Firm Overview*

The Firm's practice spans the full range of commercial matters, including:

- Antitrust and Trade Regulation
- Commercial & Real Estate Finance
- Corporate Governance
- Employment Litigation
- Environmental Law
- Franchising Law
- Healthcare
- International Business
- Litigation
- Product Liability
- Tax
- Trade Secrets & Unfair Competition
- Bank Regulatory Law
- Construction Law
- Customs
- Energy & Natural Resources
- Estates & Trusts
- Government Affairs
- Immigration & Citizenship
- Labor & Employment
- Mergers & Acquisitions
- Real Estate
- Technology Law
- Bankruptcy & Creditors' Rights
- Corporate & Business Law
- Emerging Business
- Entertainment Law
- Financial Institutions
- Government Contracts
- Intellectual Property
- Land Use Development
- Non-Profit Organizations
- Securities
- Venture Capital

The Firm's practice areas and industry groups cover a broad range of business and legal needs. This breadth of expertise and resources enables the Firm to provide solutions in either a traditional way or an innovative fashion. It also offers an unprecedented range of services through two ancillary services groups: Renaissance Partners, LLC and FiCap Strategic Partners, LLC. These ancillary businesses provide the legal, investment banking and business consulting services that help companies succeed.

Keevican Weiss Bauerle & Hirsch LLC also maintains the flexibility demanded by its corporate clients to resolve disputes in a cost-effective manner tailored to meet the client's needs and financial boundaries. The Firm frequently works with its clients to establish budgets and effective commercial litigation strategies that enable the clients to meet their corporate goals within budgetary and time constraints.

What distinguishes Keevican Weiss Bauerle & Hirsch LLC is its ability to provide a wide range of practical legal and business solutions. Many of its lawyers have career experience in industry and government. They understand the needs of business, and they have the experience and resources that help companies continue their success.

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## *Metals Industry Capabilities*

Keevican Weiss Bauerle & Hirsch LLC has unparalleled experience advising metals industry clients in corporate, securities, mergers and acquisitions, labor and benefits, litigation, environmental and banking matters.

Keevican Weiss Bauerle & Hirsch LLC has been involved in many of the more important transactions of the last two decades in the metals and metals-related industries. Representative examples of its work in these industries include the following:

- Representation as Special Merger and Acquisition counsel to an independent steelworkers union in connection with its bid for the assets of Weirton-based steel company
- Representation of a multi-billion dollar private equity fund in connection with due diligence and as acquisition counsel in connection with its bid for the Pennsylvania subsidiary of a national steel company
- Conducted financial, marketing and operational due diligence of the largest US manufacturer of SBQ bar on behalf of a \$4 billion distressed private equity and hedge fund
- Representation of a distressed private equity fund in its bid for the coke works factory of a national steel company
- Due diligence on the business and assets of a national steel forge company in connection with a possible § 363 purchase in bankruptcy
- Representation of a national steel company in connection with legal and business due diligence leading to a possible acquisition of an Erie, Pennsylvania-based company
- Representation of a Russian finance group in business, legal and environmental due diligence in connection with its bid for the assets of a metals company for dismantling and transport to Russia, to be reinstalled and operated as the front end for a Chelyabinsk, Russia pipe plant
- Representation of a multi-billion dollar private equity fund in connection with a possible acquisition of a Texas-based steel company in a “going private” transaction

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- Due diligence on behalf of an engineering subsidiary of an international finance group in connection with determining the long-term financial feasibility of a Mexico-based steel plant
  - Representation of a national holding company of steel service centers in its plan to divest 5 non-core units. Efforts resulted in sales proceeds in excess of \$75 million, which enabled the company to emerge from bankruptcy. The Firm previously represented this company in its roll up of 18 related companies through a series of stock purchases, asset purchases and mergers
  - Representation of a management buyout group in acquiring a value-added steel service center, in connection with a stalking horse bid for the assets of the company, which was a debtor in a Chapter 11 Bankruptcy proceeding. The transaction included negotiations with the Company, its counsel and senior lenders, as well as identification of and negotiation with potential equity sources
  - Representation of the official committee of unsecured creditors of a Pennsylvania-based steel company in connection with analyzing historical financial data, preserving value of the company and maximizing the return to the unsecured creditor
  - Performed operations, information technology, financial, legal and industry analyses to ascertain the feasibility of reopening an SBQ bar manufacturer. The engagement included negotiations with union representatives regarding the restructuring of compensation and benefits and developing a business plan for the implementation of the reorganized facility
  - Representation of the official committee of unsecured creditors for a specialty steel conversion mill in connection with its general bankruptcy issues and provided counsel regarding a fraudulent transfer recovery action related to the bankruptcy
  - Acquisition of steel company from a national car manufacturer followed five years later by the \$175,000,000 initial public offering of the steel company's common stock
  - Resuscitation of a national steel company out of the Allegheny International bankruptcy
  - Creation of a 1,000 mile short line railroad transaction that reversed 100 years of labor protection by the Interstate Commerce Commission

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- Reorganization of national rail company and the merger of the company into a \$1.3 billion diversified railroad component and manufacturing concern
  - Serving as outside general counsel for the world's largest independent dedicated provider of leading edge products and services to the steel industry, the Firm represented the company in connection with the majority of its domestic acquisitions and divestitures, its labor and employment negotiations and grievance proceedings, all aspects of the company's Qualified Benefit Plans and the majority of its commercial litigation matters throughout the United States

Keevican Weiss Bauerle & Hirsch's lawyers have served as architects of these and other transactions. Identifying and responding to clients' needs, the Firm conceived the transactions, structured their features (from labor contracts and benefit arrangements to financial models), arranged financing, closed the transactions and continued as general counsel for the resulting entity, responsible for its legal affairs.

The Firm has completed over 100 transactions in the metals industry and metals-related industries: steel, aluminum, coal, limestone, railroads, trucking, machinery and equipment (including mill machinery) and miscellaneous other allied industries.

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## *Metals Industry List of Engagements*

TRANSACTION
Research and preparation for management buyout in conjunction with a prominent engineering firm.
Representation of a provider of manufacturing products and services for the steel industry including exclusive caster maintenance agreements with a national steel company for its various works facilities. Served as general counsel for all aspects of commercial activities of the company.
Created the only American-owned manufacturer of ferroalloys by purchasing from a mining company the largest U.S. facility of that type. Won a 30% reduction in wage and benefit costs from a national steelworkers union in exchange for ownership of 30% of the company through an ESOP, negotiated an unprecedented fixed rate utility contract, and attained for the first time in West Virginia the written agreement of government environmental authorities to limit their demands on the prior owner for environmental cleanup of the site.
Represented the purchaser of a company's Baltimore specialty steel company. Worked closely with a senior strategic planning management group.
Represented of the purchaser of the company's steel-producing division in Mexico.
Represented potential purchaser in due diligence and labor negotiations for the purchase of a company's rod and wire division. Represented potential purchaser of an axle works company located in Johnstown. Represented the purchaser of several mills located in a Johnstown facility. Performed due diligence for a potential purchase of same company's railcar division.
Structured project financing for a division of a Pennsylvania-based steel company.
Developed labor agreement with a steel workers union, which served as the template for its purchase by a management group.
Performed due diligence on behalf of two potential purchasers.

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TRANSACTION
Represented the private equity group in the purchase of a subsidiary facility of a national steel company.
Constructed and negotiated contract for the company to implement a cold mill line and a \$210 million continuous annealing line for a Cleveland-based company. In litigation, won the undisputed right for the company to use the patented technology in the line.
Represented a Russia-based company in business, legal and environmental due diligence in connection with the acquisition of assets of the former CSC for dismantling and transport to Russia, to be reinstalled and operated as the front end for the Chelyabinsk, Russia pipe plant.
Performed operations, information technology, financial, legal and industry analyses to ascertain feasibility of reopening industrial metallurgical facility. Initiated negotiations with union representatives regarding restructuring of compensation and benefits. Developed business plan for implementation of reorganized facility.
Served as company counsel to an Ohio county in connection with Variable Rate Demand Industrial Development Revenue Bonds Series 1990.
Performed due diligence and represented management groups on multiple occasions in their attempts to execute a management buyout of the Cy-temp division of Cyclops. Ultimately, represented the purchasers of the company's flat roll division.
Negotiated major concessions for this company in its labor negotiations for a former steel plant in Warren, Ohio.
Served as outside counsel to a joint venture between two major steel companies for the operation of a double-sided, continuous electro galvanizing line.
Performed due diligence and negotiations for the purchase of a Pennsylvania-based metallurgical facility on three separate occasions.
Financed a national alloy company, including due diligence analysis of operating issues.
Represented potential partner in a joint venture with an Ellwood-based forge company.

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TRANSACTION
Represented a national steel company in connection with legal and business due diligence leading to possible acquisition of Erie-based forge company
Represented potential purchaser and performed due diligence regarding Hollsopple, Pennsylvania-based steel facility.
Represented management buyout group in connection with a stalking horse bid for the assets of a steel service center company (which was a debtor in a Chapter 11 bankruptcy proceeding), which included negotiation with the company, its counsel and its senior lenders as well as identification of and work with potential equity sources.
Represented a provider of manufacturing products and services in connection with exclusive caster maintenance agreements with the company for its Alabama and Iowa facilities.
Represented the company in due diligence and labor negotiations for the purchase of a Pennsylvania company's bar, rod and wire division.
Structured and completed working capital financing as well as leveraged recapitalization of a small, regional specialty-steel company, and also periodically served as project counsel.
Structured acquisition of this company from a national holding group.
Financed acquisition of this company from a national steel company including due diligence. Later represented the company in connection with DIP financing.
Represented private equity fund through due diligence and bidding process in proposed acquisition of a subsidiary facility of a Pennsylvania-based steel company.
Served as inside and outside General Counsel for steel, rail, and tubular products distribution company.
Structured and completed working capital and acquisition financing for a steel service center company. Later sold the company to a publicly traded buyer.

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TRANSACTION
Represented a private equity fund in connection with a possible acquisition in a “going private” transaction.
Constructed and negotiated contract for a cold mill line and a \$210 million continuous annealing line in a steel company's Cleveland facility.
Represented this national holding company of steel service centers in its divestiture of 5 non-core units. The Firm previously represented this company in its roll up of 18 related companies through a series of stock purchases, asset purchases and mergers.
Represented a scrap metal wholesaler in connection with secured revolving credit facilities.
Represented a management buyout group in connection with the purchase of an aluminum scrap conversion company, which included negotiation with the owner of the company and identification and work with potential equity sources.
Represented a private equity fund in connection with due diligence and served as acquisition counsel in connection with the purchase of the Sparrows Point plant of national steel company
Due diligence on behalf of the engineering subsidiary of a Mexico steel plant in connection with determining its long-term financial feasibility.
Financed acquisition of a steel bar company.
Performed due diligence on the business and assets of a national forge company in connection with a possible \$363 purchase in bankruptcy.
Structured and completed project financing for this national steel company.
Conceived and created a Pittsburgh flatroll company by structuring and completing its acquisition from another corporation.

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TRANSACTION
Assisted management of an engineering firm in the reorganization and development of business plan to facilitate its acquisition by a financial buyer. Represented company in its acquisition of a Baltimore-based steel company. Participated in company's initial public offering. Represented company in the negotiation of its labor and employee benefits contracts.
Provided financial, operations and marketing due diligence and advisory services on behalf of a \$2.5 billion private equity fund in connection with its bid in a \$363 sale of the assets of an international technology firm.
Structured and completed acquisition of an industrial company from a national car manufacturer. Led the company's subsequent initial public offering. Continued to provide general representation for the company.
Performed due diligence and successfully litigated claims brought on behalf of the trustee in a steel company's bankruptcy, resulting in the recovery of several million dollars for the estate of the debtor.
Performed due diligence and created deal structure to implement the acquisition of this national steel company from Allegheny International Bankruptcy. Served as general counsel to the company. Represented the company in its acquisition of one of Europe's largest railroad wheel and axle manufacturers from one of the world's largest producers of stainless steel. Successfully negotiated a potentially deal-breaking objection to the transaction raised by a federal agency.
Represented the purchaser of a Mexico-based subsidiary of a steel manufacturer.
Provided due diligence and financed acquisition of the Johnstown-based subsidiary of a national steel company.
Served as outside counsel to this national steel company's joint venture for the operation of a double-sided, continuous electro galvanizing line. Represented a provider of manufacturing products and services for the steel industry in its exclusive caster maintenance agreements with the company for its subsidiary works facilities.

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TRANSACTION
Represented the Official Committee of Unsecured Creditors of Valley City Steel LLC in connection with analyzing historical financial data, preserving value of the company and maximizing the return to the unsecured creditors in the event the Debtor's assets are sold under section §363 of the Bankruptcy Code.
Represented the management group in connection with proposed leveraged management buyout of a Washington, Pennsylvania stainless facility.
Represented an independent steelworkers union as Special Merger and Acquisition counsel in connection with the potential purchase of the assets of a former Weirton-based steel company.
Represented a distressed private equity fund in the due diligence and the potential acquisition of a West Virginia-based coke works facility
Performed extensive company and industry analysis regarding compensation and benefits and subsequent renegotiation of labor contract of a West Virginia and Pittsburgh-based steel company. Also performed extensive due diligence and review of operations and legal liability in preparing a proposal to oversee all legal matters for this facility.
Represented an affiliate of a major New York investment firm in its acquisition of a \$37 million equity stake in a Pittsburgh steel company, at the time the subject of bankruptcy reorganization.
Represented the former wire rope division of a local steel corporation through the acquisition of a New Orleans rigging company.
Represented potential acquirer through due diligence and bidding process in proposed acquisition of steel processing facility. Represented senior debt lenders to the company.

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# *Labor and Benefits*

## **Leading Edge Practice**

- The Firm has completed more than 100 negotiations of labor and benefits arrangements on behalf of companies employing more than 60,000 employees in metals and metals-related industries
- Restructuring of labor and benefits arrangements to reduce costs has been a key feature of virtually every metals industry acquisition the Firm has completed
- The Firm has consistently accomplished significant savings without incurring strikes, work stoppages or other labor unrest
- The Firm has been an architect of innovative labor structures that have gained acceptance throughout America's industrial heartland
- Labor agreements negotiated and won by the Firm have regularly been used as templates by others seeking to achieve for themselves the same gains in labor cost and productivity
- The Firm has regularly defeated organizing efforts brought by unions against its clients and their employees
- The Firm has also helped clients attain favorable media coverage of their labor relations' strategies