



February 9, 2010

VIA E-MAIL ONLY

(Rules.Comments@ao.uscourts.gov)

Peter G. McCabe
Secretary
Committee on Rules of Practice and Procedure of the Judicial
Conference of the United States
Administrative Office of the United States Courts
Thurgood Marshall Federal Judiciary Building
One Columbus Circle, N.E.
Washington, D.C. 20544

Re: *Proposed Amendment of Federal Rule of Bankruptcy Procedure 2019*

Regiment Capital Advisors, LP (“Regiment”) is a Boston-based investment advisor and active participant in various Chapter 11 bankruptcy restructurings. Regiment submits this letter in support of the Loan Syndications and Trading Association’s (“LSTA”) Comments to the proposed amendment to Federal Rule of Bankruptcy Procedure 2019 (“Proposed Rule 2019”).

As currently drafted, Proposed Rule 2019 requires any member of a group of creditors or other party representing more than one creditor to disclose its cash, short and synthetic positions in a bankruptcy case. It would also require disclosure of sensitive, proprietary and confidential information regarding the price at which a party bought its position and the date it was acquired. Regiment joins with the LSTA in supporting the portion of Proposed Rule 2019 regarding position reporting and opposing the requirement to disclose the price paid and the date of acquisition.

For the sake of efficiency, Regiment will not rehash the salient points made by the LSTA. However, Regiment wishes to emphasize two critical items.

First, the price that any holder pays for its Bankruptcy Claim is legally irrelevant to the treatment of that position in a bankruptcy case or the holder’s status as a creditor. As noted in the LSTA Comments, the value of a Bankruptcy Claim is determined by the nature of the debtor’s obligation under the relevant instrument, and not by the price paid for that instrument. Moreover, Regiment strongly believes that the disclosure of a trade date would quite easily disclose the price paid; indeed, market participants like Regiment,

armed with a trade date and an efficient market, can quite easily determine the price bid by potential buyers or asked by potential sellers for bank debt and bond transactions.

Additionally, and perhaps more importantly, if sensitive and proprietary price information is made public under Proposed Rule 2019, then creditors like Regiment will be substantially deterred from participating in the post-petition trading markets and/or playing active and beneficial roles in Chapter 11 restructurings. Given the choice between disclosing highly confidential price and trade date information and not participating in the bankruptcy process via membership in an *ad hoc* group, many participants, including Regiment, may choose to remain completely silent or speak only on their own behalf. In turn, debtors will find it much more difficult to resolve the restructuring through a negotiated plan if they lose *ad hoc* groups as negotiating counterparties. This imbalance could seriously delay, or at a minimum, seriously disrupt the orderly flow of, the Chapter 11 restructuring process.

In sum, Regiment appreciates the opportunity to submit its comments to the Rules Committee and respectfully proposes that Proposed Rule 2019 be revised as set forth in the LSTA Comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'DMM', with a long horizontal line extending to the right.

Derek M. Meisner
General Counsel