



Kroll Issuer Services Case Study

Hertz



In May 2020, Hertz filed for Chapter 11 protection after a downturn in business during the COVID-19 pandemic citing loss of business due to travel restrictions mandated by state governments.

In 2021, Kroll's Issuer Services practice was engaged as the subscription agent for this matter. In this capacity, we worked closely with Hertz Global Holdings, Inc., to generate \$1.3 billion (bn) of new financing through a complex equity rights offering. Concurrently, we were engaged to assist with a scheme of arrangement involving two series of euro-denominated notes, with €725 million (mn) outstanding, providing customary services relating to the court-driven voting and distribution process.

Kroll worked in tandem with the company's legal, financial, and investment banking teams to execute the appropriate noticing, processing of subscriptions, and distribution of equity.

Equity Rights Offering

In preparation for the rights offerings, the debtors' professionals consulted with Kroll to draft rights offering procedures. Using our vast experience, Kroll assisted in drafting procedures that met the current procedural standards for both the U.S. and European depositories. In addition, Kroll's global expertise allowed the issuer to confidently adhere to the complex

noticing, processing, and distribution mechanics outlined in the rights offering procedures, and the materials were successfully disseminated to holders of more than 2.7bn notes and holders of 156mn shares of common stock.

Notably, Kroll's advanced technology ensured the efficient and accurate processing of over 695 subscription forms and reconciliation of dozens of wires.

Kroll also worked closely with the U.S. and European depositories to facilitate tendering and blocking events in their respective systems.

Leading up to the subscription deadline, Kroll coordinated with the three depositories to confirm tendered positions, which were then used to provide clear reporting to the Debtors' professionals. Upon expiration, Kroll identified all valid subscriptions and prepared results in anticipation of the backstop party calculations.

Finally, the backstop parties received appropriate noticing and instructions from Kroll to wire funds, and as a result, the issuer was able receive the funds and effectuate timely distributions.

Distributions

After fully reconciling the new equity rights offerings, a total of \$1.3bn in capital was raised. Kroll prepared the appropriate distribution files in advance of the closing, which resulted in the allocation of multiple issues of stock and warrants.

Scheme of Arrangement

Kroll was mandated by the company as information agent on its U.K. scheme. In this capacity, we provided valuable assistance to White & Case LLP in drafting the voting procedures. We disseminated the information and held scheme meetings that resulted in a 96% creditor participation rate.

About Kroll's Issuer Services Practice

Kroll's Issuer Services team has over 200 years of combined solicitation and public securities experience and are experts in partnering with clients to provide strategic, effective and well-communicated issuer services. Successful outcomes require deep subject matter expertise and a high level of professionalism to effectively interact with a client's key constituents. Our team has led some of the most complex global consent solicitations, exchange offers, rights offerings, tender offers and annual and special proxy solicitations. Learn more about our [Issuer Services practice](#).

About Kroll

As the leading independent provider of risk and financial advisory solutions, Kroll leverages our unique insights, data and technology to help clients stay ahead of complex demands. Kroll's team of more than 6,500 professionals worldwide continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. Our advanced solutions and intelligence provide clients the foresight they need to create an enduring competitive advantage. At Kroll, our values define who we are and how we partner with clients and communities. Learn more at [Kroll.com](https://www.kroll.com).

Kroll Issuer Services (US) is registered in Delaware and its principal office is located at 55 East 52nd Street 17th Floor New York, New York 10055.

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