



Building a Bankable Enforcement Data Framework in Mongolia: Legal Design, Market Impact, and Regional Lessons

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Investment Clarity Issue

Restructuring 40 days

How ???



Recovery Transparency

THE WALL STREET JOURNAL.

DOW JONES
A NEWS CORPORATION COMPANY

TUESDAY, JUNE 2, 2009 - VOL. CCLIII NO. 127

★★★★ \$2.00

DJIA 8721.44 ▲ 221.11 2.6% NASDAQ 1828.68 ▲ 3.1% NIKKEI 9677.75 ▲ 1.6% DJ STOXX 50 2186.07 ▲ 2.9% 10-YR TREAS ▼ 2 1/32, yield 3.715% OIL \$68.58 ▲ \$2.27 GOLD \$978.60 ▼ \$0.20 EURO \$1.4158 YEN 96.62

GM Collapses Into Government's Arms

Second-Largest Industrial Bankruptcy in History; Obama Defends Intervention as CEO Asks Public for 'Another Chance'

BY NEIL KING JR.
AND SHARON TERLEP

General Motors Corp. became the second-largest industrial bankruptcy in history Monday as it filed its landmark case, with President Barack Obama predicting the humbled corporate titan will emerge from Chapter 11 "a stronger and more competitive" company within months.

GM's bankruptcy caps a frenetic few months in which the Obama administration scrambled to salvage GM as well as Chrysler LLC, the country's first- and third-largest car makers, at a cost to taxpayers of over \$62 billion.

GM officials portrayed the bankruptcy—No. 2 in asset size among industrial concerns to WorldCom's filing in 2002—as an unprecedented opportunity to reverse decades of decline. GM said it would close 17 factories and parts centers and lop off 20,000 more jobs by the end of 2011 in Michigan, Indiana, Ohio, Tennessee and other states.

The government-orchestrated shrinkage will cost taxpayers \$30 billion, on top of \$20 billion in U.S. funds already put into

the company. In exchange, the U.S. will own 60% of the new GM. In all, the rescue of the car industry could cost taxpayers close to \$100 billion.

GM's court-supervised restructuring began just hours af-

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- GM's economic ecosystem ...A14
- Fiat's new missionA14
- WSJ.com/Detroit for updates and documents on the filing.

ter a New York bankruptcy judge approved the sale of most of Chrysler's assets to Italy's Fiat SpA. Chrysler sought Chapter 11 protection about a month ago.

President Obama defended his decision to take a majority stake in GM, saying it was unavoidable and temporary. "We are acting as reluctant shareholders," he said in a televised address.

Some Republican lawmakers called the move another sign of the administration's deepening incursion into the private sector. And the risk remains high that the

administration or Congress could meddle in the company's day-to-day affairs, an experience familiar to banks that took government bailout cash last fall.

Unlike bankers, many of whom were forced to accept government funds, GM executives have so far embraced their new owners. A beaming Ray Young, GM's chief financial officer, said bankruptcy offered GM a "once-in-a-lifetime opportunity to get our balance sheet healthy."

GM—which hasn't made a profit since 2004—declared in its filing that it had \$172 billion in debt and \$82 billion in assets.

Chief Executive Frederick "Fritz" Henderson appealed to consumers to "give us another chance."

The government's plan calls for 10% of the new GM to be owned by existing bondholders, while a United Auto Workers union health-care fund will own 17.5%. The Canadian government will own the remaining 12.5%.

Next Monday, after 84 years, GM will cease being part of the Dow Jones Industrial Average, replaced by technology company Cisco Systems Inc.

A Saga of Decline and Denial

DETROIT—The beginning of the end for General Motors Corp. as an independent company was marked by a denial.

Rick Wagoner, then GM's chief executive, stepped up to a podium in a Dallas hotel July 10 to address an audience of Texas business leaders, and outlined his view: The struggling car maker

By John D. Stoll, Kevin Helliker and
Neal E. Boudette

might have to sell its Hummer brand, but the rest of the company was safe. And as for Wall Street speculation of a bankruptcy filing, no way.

Reports speculating about bankruptcy, he said, "don't help anything and are completely inaccurate."

But over the course of the next 10 months, noth-

ing could stem the company's slide. Mr. Wagoner was eventually forced out. By Monday morning the bankruptcy papers had been filed and the U.S. government was poised to own a majority stake in the company.

It was quite a drop. Once, General Motors was Microsoft and Apple and Toyota all rolled into one.

GM set the standard of how a company should be run, how utilitarian products could be made cool and how they should be sold. It helped win a world war, drive American prosperity and reinvigorate business-school curricula.

"Nobody else could cover the whole range of the marketplace like GM, not Ford, not Chrysler," said Gerald Meyers, a former chief executive of American Motors Corp. and now a professor of

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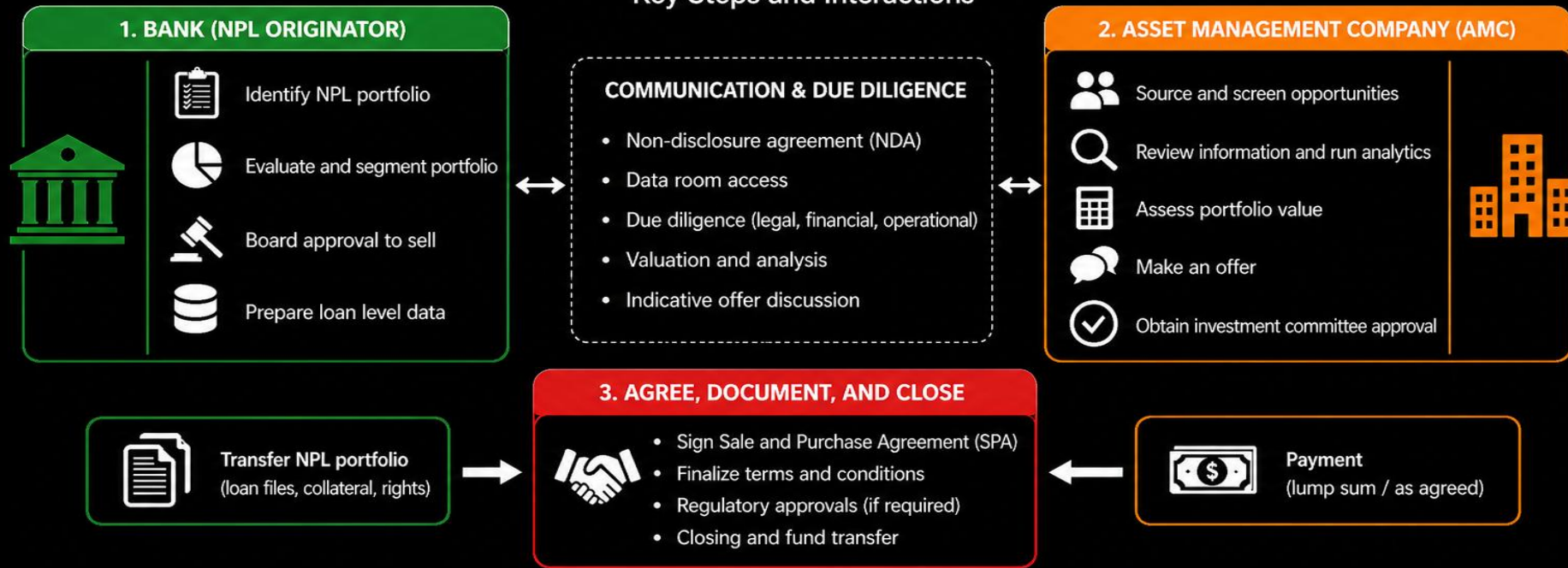


(Official Case No.) 09-50726	Doc 1	Filed 06/01/09	Entered 06/01/09
United States Bankruptcy Court of 24 Southern District of New York			
Name of Debtor (if individual, enter Last, First, Middle): GENERAL MOTORS CORPORATION			Name of Joint Debtor: N/A
All Other Names used by the Debtor in the last 8 years: (include maiden and trade names):			All Other Names (include married): N/A

Workers, top, take down a GM logo Monday after CEO Frederick 'Fritz' Henderson announced the once-dominant car maker's bankruptcy filing, bottom, in New York City. 'There simply is no viable alternative,' he said in the filing.

PROCESS: BANK NPL SALE TO AN ASSET MANAGEMENT COMPANY

Key Steps and Interactions



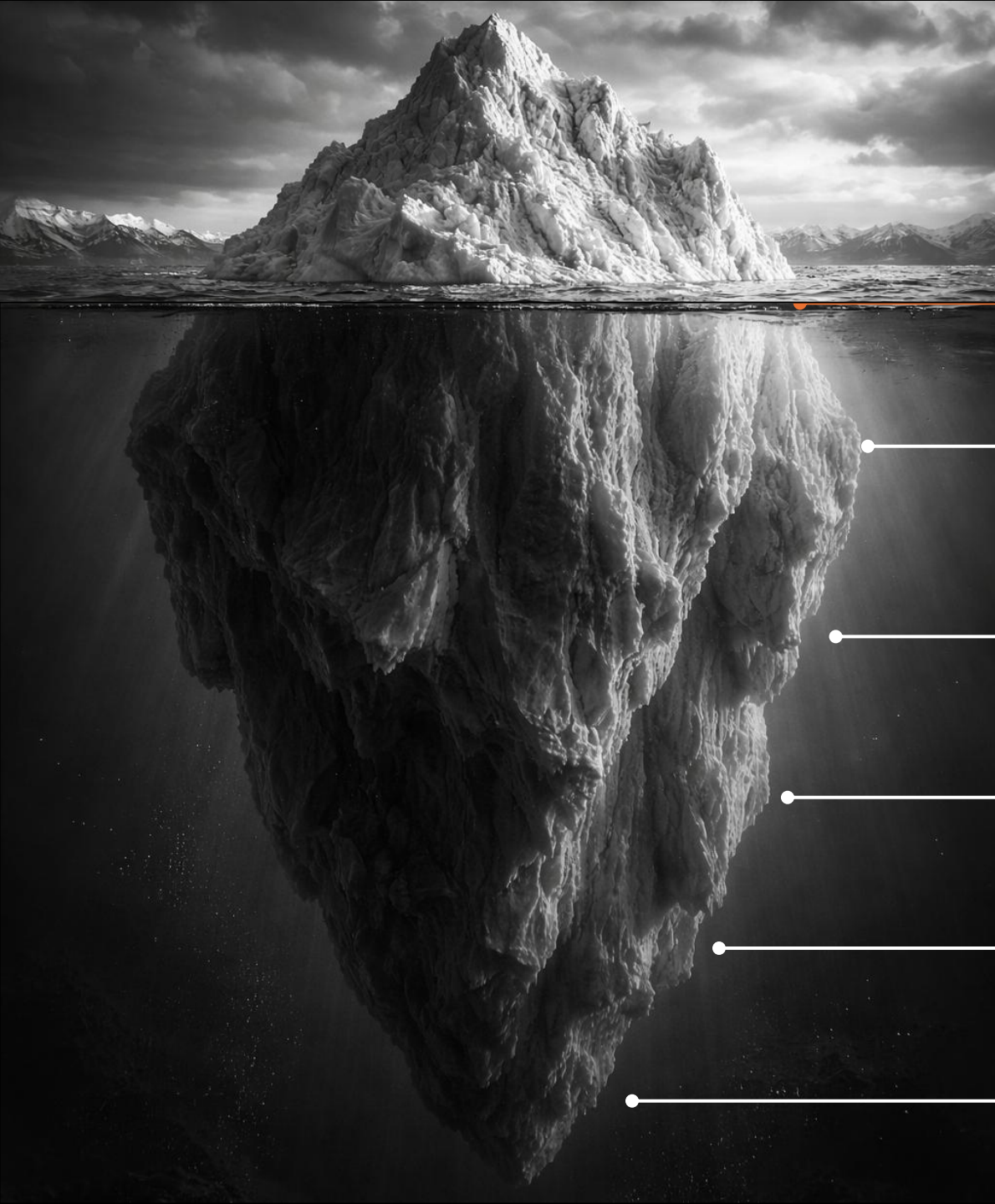
Clarity on Enforcement

- Security enforceable;
- Timeline/vintage;
- Recovery rate;
- Security value;
- Cost.

Decision

- Execution;
- Value;
- Action.

Enforcement Data



Loan portfolio

Enforcement Data

Time/Vintage (Court&Bailiff)

**Recovery Rate
(Court&Bailiff, Gross&Net)**

Auction/Value

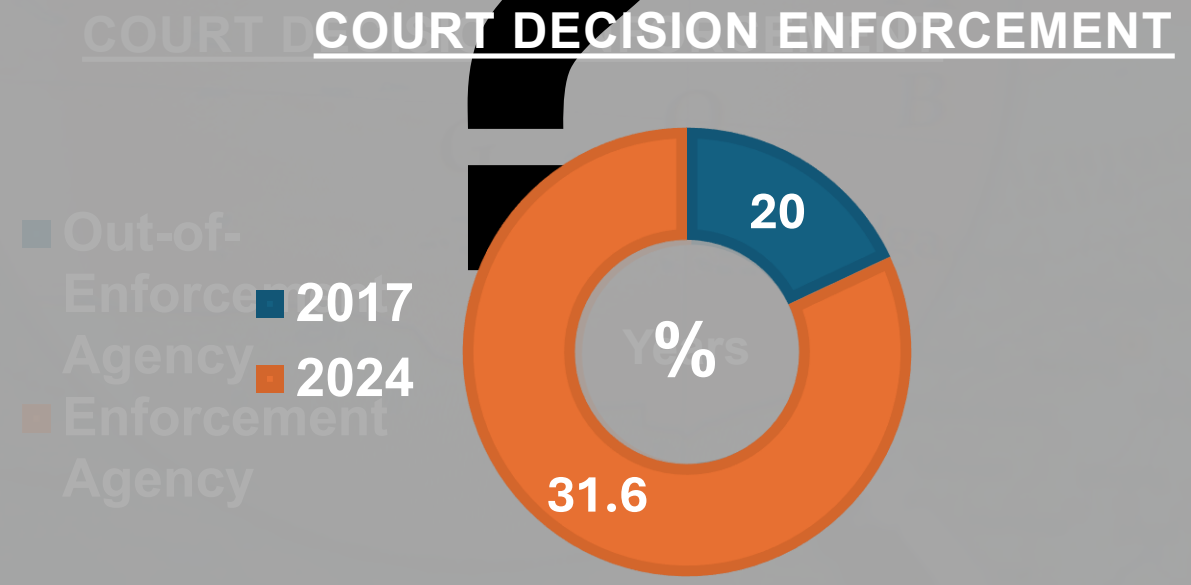
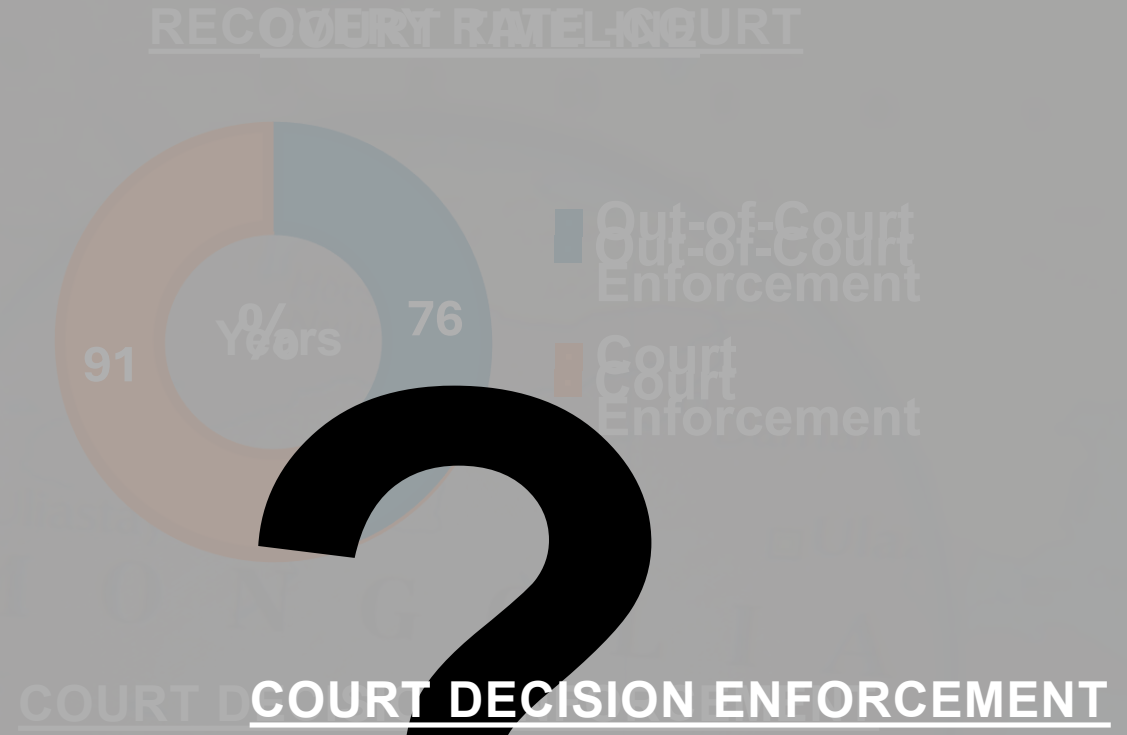
Cost (legal&enforcement)

Multiple claim/priority conflict

Enforcement Data

- Court Timeline
- Recovery Rate
- Auction/Value
- Cost (legal&enforcement)
- Multiple claim/priority conflict

- Establish Mandatory Enforcement Data Reporting;
- Standardize;
- Institutional Framework;
- Digital Infrastructure



Source: EBRD 2017, MBA 2025
Source: Mongolbank 2020

A black and white photograph of a stormy landscape. In the foreground, there is a field of hay bales. In the background, there is a line of trees and a dark sky with several bright lightning bolts striking down. The text "How do we turn enforcement into a functioning market?" is overlaid in the center of the image.

**How do we turn enforcement
into a functioning market?**



Peter F. Drucker, a father of modern management

“What gets measured gets managed”