

FUND FINANCE FRIDAY

A Note to My Younger Self: Living Through a Cycle ... FEAR NOT!

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As I sit here with my more than abundant supply of grey hair, which costs a fortune by the way to color in NYC so that I camouflage my real age from prying eyes, this older, wiser self has been reflecting on what I would tell my younger self at the outset of my first cycle if I had the chance. Sorry, but I am not going to reveal my first cycle, because it will undermine the cost of my hair salon treatments and you might just back yourself into my real age. But, alas, this older version of me has a few words of wisdom for my younger self and for all of you out there who are too young to remember Lehman (let alone the original airing of *The Sopranos*) and all that followed. So for what it is worth, what follows are notes to my younger self and the rest of you who are interested.

First, I would say “FEAR NOT” – well, a little fear is normal and healthy, but FEAR NOT, it will be OK. I remember sitting in my office on the Sunday of Lehman and an older partner told me, “You will never forget where you are on this day.” I thought he was being a bit dramatic, like when people say they remember exactly where they were when President Kennedy was shot. And this is going to help me how? Well, younger self, he was right. I remember vividly every detail of Lehman. The fear, the quiet of the city, the speculation, the trepidation. It was all swirling around, and no one knew where it would end. It was messy, chaotic and challenging, but I saw it bring out the best in the lawyers and bankers around me. People rose to the occasion, dug in and figured out complex legal issues to help bring their clients relief and results. Younger self, you should have paid even more attention than you did and you did well on your assigned tasks, but you put your head down and focused on yourself when you should have been a sponge, soaked up more of what was going on around you, put some of that fear to better use. All was not lost, though. Each cycle builds on the last, and on SVB Friday you were more prepared, seasoned and focused, but you can always be better.

Second, I would say, “Above all, be a problem solver.” Don’t let the hysteria sweep you under. In these rapidly changing times, each client has unique issues and problems, and your job as a trusted advisor is to listen. That’s right, younger self, LISTEN. Listen closely. Don’t assume you know your client’s problem. Dig deeper, fact gather, help the client think of issues they don’t

even know are issues at that moment in time. Problem solving in a crisis is an invaluable skill set, and unfortunately the only way to get better at it is to live through many crises. So in a cycle, pay attention, be engaged, and, even as a younger lawyer, search for ways to add value. You are better in a crisis than you give yourself credit for, and someday you will learn to appreciate that and stop second guessing and worrying that you do not know it all. No one knows all of the ins and outs of a crisis, but they do figure it out. So FEAR NOT and figure it out.

Third, never assume you know what the legal documents say – check first before speaking. The senior person on the deal is going to rely on your analysis, so you have to be the expert. The buck really does stop with you. Each document is different, and while you can think you know what they say, you need to read the words on the page to verify. For example, in the last few days, many people have been poring through Defaulting Lender provisions. Those provisions were borne out of the last cycle and nowadays folks just skip over them in the drafting. Well, mostly. The only thing people care about is, do they match the LSTA? Well, lo and behold, sometimes they do get negotiated, and some forms have varying language from others. Before you open your mouth to advise your client or your partner of what you are sure they say, read. Be the expert. Be someone people can rely on without worrying you got it wrong. And then participate in the discussions around you. This week's discussions regarding the intersection of Defaulting Lender provisions and the stay have been fascinating, and without having read the provisions and asked to be a part, or at least a listener, in the debate you would have missed out on some really cool stuff. I am not saying cool, like cocktail party cool talking points, but super interesting legal issues of first impression. Raise your hand and yell at the top of your lungs: "Put me in the game, coach! I want to be a part of all that is going on around me!" Do not miss out, even on the things that at first glance sound about as interesting as watching paint dry. FEAR NOT, and see the chaos as your opportunity to shine.

Fourth, younger self, be creative. Find ways to bridge the gap between the best of all legal protections and the business needs. Think outside the box. Push yourself out of your comfort zone and use that critical thinking brain of yours to find workable solutions to complex, unique issues. FEAR NOT. You are not always going to be right, but chances are you are not always going to be wrong either.

Fifth, younger self, the world of banking and the fund finance legal practice is a small world, a very small world actually. Younger self, many of the bankers and lawyers around you may get laid off, they may temporarily lose their jobs. Stay in touch with them now, lend a shoulder to cry on. Be on the lookout to help them find new positions. Trust me when I say that, decades later, you will still know these folks, and they will remember your kindness and will forever be grateful. Be *that* person – the person who cares, who buys someone a cup of coffee, who reaches out to say hi and just to check in. Don't forget these good people or minimize what they are going through. People have long memories. The little things go a long way in times of trouble.

Finally, if you don't win the Mega Millions and you end up sitting here a few decades from now still being a fund finance lawyer, at the start of the next big cycle, sit back in your chair, take a deep breath and remember what I told you: FEAR NOT! Go out there and knock 'em dead with the next round of great legal advice that will be needed to keep the earth from tipping off its axis. And, by the way, take the time to spread the word to the next generation (who at that point

probably will not even know the television greatness of The Sopranos) and offer them the words of encouragement they will need to get through the day. Peace out.