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## **Puerto Rico Strikes Second Restructuring Deal with Bondholders.**

Puerto Rico reached a restructuring agreement with bondholders invested in the commonwealth's Government Development Bank, officials announced Monday in San Juan.

Parties to the agreement include the Ad Hoc Group of Bondholders, whose members are funds managed or advised by Avenue Capital Management II, Brigade Capital Management, Fir Tree Partners and Solus Alternative Asset Management. The group's financial adviser, Bradley Meyer of Ducera Partners in New York, said in a statement that the agreement "is fair to all parties."

Puerto Rico's Federal Affairs Administration said in that statement that GDB creditors "have agreed to substantial discounts to the principal," but did not provide further details on the agreement, which calls for bondholders to exchange claims for one of three tranches of bonds issued by a new municipal entity. The new bonds will have varying principal amounts, interest rates, collateral priority, and other payment terms.

Restructuring agreements must be approved by the Financial Oversight Management Board and the U.S. District Court in San Juan. Mr. Rosello said in the statement that the agreement "is an example that the government is regaining the credibility it had lost over the past few years."

PENSIONS & INVESTMENTS

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