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Pimco Debt Move in Texas Recycler Brings Credit Fights to Munis.

Takeaways by Bloomberg AI

- Stephen McMullin, who manages less than $10 million for Fulcrum Point Capital, is objecting to maneuvering around the bankruptcy of Aleon Metals LLC, a Texas recycling company that borrowed money in the municipal bond market.
- McMullin says that the largest bondholders, including Pacific Investment Management Co., Invesco and Capital Research, negotiated behind the scenes to get better terms than small investors, who weren't invited to take part.
- The agreement could set a precedent that might put small investors at a disadvantage, according to Lisa Washburn, a managing director at Municipal Market Analytics, who says that it suggests that well-resourced investors can pay for a better recovery.

A small investor is pushing back against bigger asset managers bringing the sharp-elbowed tactics of the corporate bond world to the normally placid confines of municipal finance.

Stephen McMullin, who manages less than $10 million for Fulcrum Point Capital, took to court this week to object to some of the maneuvering that has gone on around the bankruptcy of Aleon Metals LLC, a Texas recycling company that borrowed money in the municipal bond market.

Continue reading.

Bloomberg Markets

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