

KPMG Corporate Finance LLC advised MMFX Technologies Corporation in connection with its Chapter 11 plan of reorganization.



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US\$60 Million
August 2011

The company

MMFX Technologies Corporation (MMFX or the Company), a privately held company based in Irvine, California, was founded in June 1998 to commercialize its proprietary micro- and nanotechnologies that create superior products by manipulating materials' microstructures. The current focus for MMFX's core technology is uncoated steel whose microstructure is fundamentally different from that of conventional steel. MMFX steel, fueled by proprietary technology, is up to five times as corrosion-resistant and three times as strong as conventional steel, and substantially more ductile than other steel products.

The situation

The Company filed bankruptcy in December 2010 seeking to resolve existing creditor claims. KPMG Corporate Finance LLC (KPMG CF) was engaged in February 2011 to explore strategic options and assist the Company in identifying a potential equity sponsor for MMFX's contemplated plan of reorganization. In addition to a potential equity investment, options included the potential to license or acquire the Company's intellectual property on a product, geographic, or end-use basis.

The transaction

KPMG CF ran a broad, expedited solicitation process that generated interest from several diverse counterparties, including both domestic and international private equity firms, strategic investors, and/or potential licensees. KPMG CF coordinated management meetings and due diligence, and assisted the Company in evaluating strategic alternatives and proposals. Ultimately, a joint plan of reorganization cosponsored by the Company, Official Committee of Unsecured Creditors, and major creditors Fourth Third LLC and Investment Funding, Inc. emerged as the highest and best proposal confirmed by the United States Bankruptcy Court Central District of California, Santa Ana Division.

KPMG Corporate Finance LLC – We Can Do a Great Deal Together.

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KPMG Corporate Finance LLC provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A and project finance to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, and other advisory initiatives. In addition, we remain impartial to financing sources, helping to ensure that our efforts are objective and aligned with the goals of clients.

Operating in 82 countries, the corporate finance practices of KPMG International's member firms (KPMG) comprise more than 2,100 professionals who are able to meet the needs of clients across the globe. In 2010, as a leading financial adviser, KPMG completed 269 deals totaling US\$16.5 billion, according to Thomson Reuters SDC's global M&A middle market league tables.

We welcome the opportunity to meet with you, learn more about your company's objectives, and discuss our people and capabilities.

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