Deal doctors: Neighbors first, now co-workers
Jay H. Krasoff and Scott W. Johnson have opened investment bank Chiron Financial in Houston to advise middle-market companies.
Jay H. Krasoff and Scott W. Johnson, neighbors in Houston, have teamed up and opened the doors to Chiron Financial LLC.

The two managing directors referred to the investment banking firm as the new Chiron because Krasoff had founded Chiron Financial Group Inc. in 2000, but he renamed the business when Johnson came on board, they said. The new Chiron debuted on Jan. 1, although the firm did not announce the formation until July 25.

Chiron Financial employs three full-time bankers and one contractor, and Krasoff and Johnson said they have hired two other people who will join the firm soon.

Because of Krasoff's and Johnson's diverse professional backgrounds, they said Chiron Financial stands out from other investment banking firms serving middle-market companies.

Krasoff is in charge of the strategic direction of the firm and marketing the company's corporate finance and restructuring practice. Before founding the firm, he served as CFO of Texas Gypsum Industries Inc.

Johnson is responsible for marketing and managing Chiron Financial's corporate finance and restructuring engagements. He has 30 years of experience in investment banking, with a particular focus in the oil and gas industry. Johnson, however, also has worked with clients such as Ford Motor Co. (F) and Hershey Co. (HSY).

Before joining Chiron Financial as co-owner, Johnson was CFO of Schooner Oil and Gas LLC and co-founded Houston investment banking firm Weisser, Johnson & Co. in 1991.
It was when Johnson was working at Weisser and Krasoff was at the old Chiron Financial that the two first met. Krasoff said Weisser was based out of the same Houston building that housed Chiron Financial.

Johnson "was a floor above us. We were in the same building, just a floor apart," Krasoff said.

Coincidentally, in 2014 the pair was brought back together when they bought neighboring homes in Houston, meaning this time they were just a fence apart.

On Thanksgiving, Krasoff and Johnson said they started discussing opening a new firm together because they had strayed from core investment banking activities in favor of private equity but both wished to go back.

"We felt like combining forces just made a lot of sense," Johnson said.

Chiron Financial arranges private placements of debt and equity capital and advises on mergers, acquisitions and sales. Its bankers raise startup and growth capital and assist with refinancing and restructuring.

Chiron Financial's past clients include oil and gas, oil services and equipment, midstream and downstream energy, power, building products, basic materials, healthcare, real estate, retail, light and heavy manufacturing and nonprofit companies.

Currently, Chiron Financial is advising equity holders of Energy XXI Ltd. in its Chapter 11 case. The Houston oil and gas company filed for bankruptcy on April 14. Krasoff and Johnson said Energy XXI has $2.8 billion debt on its balance sheet, but he declined to discuss the case further as it is ongoing.

Johnson and Krasoff said they are focused on growing Chiron Financial.

Chiron was in discussions to act as the financial advisor to the equity committee in the Sand Ridge Inc. bankruptcy case, but unfortunately certain terms of the agreement were not granted. Krasoff, though, still found a positive in the situation, saying it shows that "we're attracting attention."

SandRidge filed for Chapter 11 relief on May 16 in Houston.

Maria L. Oxholm has been appointed as a judge in the U.S. Bankruptcy Court for the Northern District of Iowa.

Oxholm, however, will sit in the Eastern District of Michigan in Detroit under a memorandum of understanding between the 6th Circuit, which includes Michigan, and the 8th Circuit, which includes Iowa. The MOU under the Bankruptcy Judge Vacancy Pilot Program allows for the judgeship to be loaned from Iowa to Michigan for five years, and if the parties subsequently agreed, the loan could be extended, according to a source at the Michigan court.
Oxholm, a graduate of the University of Michigan Law School, previously sat in the 3rd Circuit Court in Wayne County, Mich., since March 2002. She was appointed to the 36th Circuit in March 1999 and served as Assistant Wayne County Prosecuting Attorney from 1989 to 1999, specializing in domestic violence and child abuse cases.

She replaces Judge Walter Shapero, who will step down on Sept. 30. Shapero previously had retired but continued to hear cases with recall status, the source said.


Tancredi replaces Alan H.W. Shiff, who retired last year after more than 34 years on the bench. Shiff now practices at Reid and Riege PC as of counsel in the firm's alternative dispute resolution: arbitration and mediation practice.

Tancredi, a graduate of the University of Connecticut School of Law, co-founded Day Pitney’s bankruptcy and restructuring practice and has represented various parties in bankruptcies, reorganizations, insolvency proceedings and asset recovery actions for more than 30 years.

Finally, the U.S. Court of Appeals for the 4th Circuit is accepting applications through Oct. 13 for a judgeship in the District of Maryland in Baltimore. The position will be available Feb. 8 with the retirement of Judge James F. Schneider, who had served since 1982.

In his June 8 resignation letter to Chief Judge William B. Traxler Jr. of the 4th Circuit, Schneider said he was concerned about the potential loss in 2017 of one of Maryland’s three temporary bankruptcy judgeships, which would reduce the judges in the district to six.

The Temporary Bankruptcy Judgeships Extension Act of 2012 extended 29 temporary bankruptcy judgeships for an additional five years, but no new legislation has passed, meaning that after May 25, 2017--the fifth anniversary of President Obama signing it into law--when a judge in a district with a temporary judgeship resigned, he or she could not be replaced.

The Judicial Conference of the U.S., which sets policies for the federal court system, in March recommended temporary judgeships in nine districts be converted to permanent positions. In Maryland, the Judicial Conference recommended two of the three temporary slots be made permanent.

All bankruptcy judgeships have a 14-year term and a salary of $186,852.
1-888-667-3325
+1-212-313-9251 (International)
customerservice@theddeal.com

1-888-257-6082
+44 (0) 20 7160 9600
sales@boardex.com

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