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News for People Tracking Distressed Businesses

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Restructuring Pros Reflect on 2021

By Christopher Patalinghug

Barring a deluge of bankruptcy cases (highly unlikely!) in the final days of December, 2021 will mark the lowest number of commercial business bankruptcy filings (*i.e.*, commercial business Chapter 11, 7, 13 and 15 cases) in the last 10 years. About 20,673 commercial business bankruptcies were filed through the first 11 months this year, according to American Bankruptcy Institute, citing data from Epiq Systems, Inc.'s AACER. A total of 32,517 cases were filed last year, including 30,320 cases through November 2020. About 39,050 cases were filed in 2019, including 36,144 in the first 11 months that year.

About 3,414 of this year's commercial cases were filed under Chapter 11.

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Forecasting Distressed Trading Markets of 2022

By Jenn Pastarnack

What will the distressed markets look like in 2022? December came in like a roaring dragon, named Omicron. As if the emergence of a new variant wasn't intimidating enough, we had to use a name that evokes the image of an evil extraterrestrial villain set to destroy planet Earth. Indeed our 2021 calendar year is closing with other negative harbingers — rising inflation, supply chain issues and labor shortages. And while many market experts anticipated a cooling off of the U.S. economy around this time, who knew it would come abruptly and with such vengeance? Just when the world was about to celebrate the easing of travel restrictions and a return to comfortably eating indoors, we are yanked back

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This represents a 49% drop from the total commercial Chapter 11 filings (6,735) through November last year (7,129 for the entire 2020); and 33% off of the 11-month total (5,127) two years ago (5,519 for the entire 2019), Epiq’s data shows.

Data refined by *Troubled Company Reporter* editors, to exclude contemporaneously filed cases being jointly administered, show that about 1,390 of the corporate Chapter 11s filed this year through Dec. 15, 2021, involved debtors with more than \$1 million in assets. This is down 21% from last year, which saw 1,764 cases filed by corporate debtors with more than \$1 million in assets; and down 27% from 2019, with 1,914 such cases.

“Bankruptcies are on pace this year to record their lowest annual total since the mid-1980s due to a number of factors, including pandemic relief programs, lender forbearances and low interest rates,” ABI Executive Director Amy Quackenboss said early this month. “As the calendar turns to 2022, the expiration of relief programs, rising inflation and supply chain challenges have created economic headwinds for consumers and businesses. Bankruptcy provides struggling families and companies with an established course for navigating financial difficulty.”

As 2021 draws to a close, *Turnarounds & Workouts* asked restructuring experts to look into the rearview mirror and share their views on how the industry turned out this year: **Andrew K. Glenn** and

| Year | Total Commercial Filings (Chapters 11, 7, 13 and 15) |
|------------------|--|
| 2021 (Thru Nov.) | 20,673 |
| 2020 | 32,517 |
| 2019 | 39,050 |
| 2018 | 38,044 |
| 2017 | 38,536 |
| 2016 | 38,283 |
| 2015 | 30,190 |
| 2014 | 34,818 |
| 2013 | 44,356 |
| 2012 | 58,058 |

Source: Epiq

| Year | Total Commercial Chapter 11 Filings |
|------------------|-------------------------------------|
| 2021 (Thru Nov.) | 3,414 |
| 2020 | 7,129 |
| 2019 | 5,519 |
| 2018 | 5,484 |
| 2017 | 5,771 |
| 2016 | 5,450 |
| 2015 | 5,318 |
| 2014 | 5,189 |
| 2013 | 6,601 |
| 2012 | 7,789 |

Source: Epiq

Shai Schmidt, partners at Glenn Agre Bergman & Fuentes; **Scott J. Greenberg**, co-chair of Gibson Dunn’s Business Restructuring and Reorganization Practice; **James J. Mazza, Jr.** and **Carl T. Tullson**, corporate restructuring partners at Skadden, Arps, Slate, Meagher &

Flom LLP; Gordian Group, LLC’s CEO **Henry Owsley** and President **Peter Kaufman**; and **Damian Schaible**, co-head of Restructuring practice at Davis Polk & Wardwell LLP.

Overall, what did the restructuring activity look like this year?

Andrew K. Glenn and **Shai Schmidt**, Glenn Agre: The restructuring world has seen less activity this year than what the market predicted when COVID-19 hit in early 2020. That is due primarily to the unprecedented steps the Fed took to counteract the economic disruption wrought by the pandemic, including the massive amounts of liquidity the Fed unleashed. Simply put, borrowers see less of a need to restructure their debt when they can easily refinance it under very attractive terms.

That said, we have seen a few Chapter 11 cases where companies needed to reorganize, not because their businesses were unsound, but because of the short-term disruption COVID-19 caused to their operations. A notable example is *Hertz*, where the company was able to overcome the initial shock to its business that forced it to file for Chapter 11 and then to exploit pent-up demand for travel as the world started to reopen. The company utilized the Chapter 11 process to run a highly competitive auction that resulted in the sale of the company to Knighthood, Certares, and a Glenn Agre-represented group of shareholders. The transaction valued Hertz at \$7 billion and gave

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shareholders \$8 per share, creating a very significant return on any stock bought after the company's bankruptcy filing when, weeks earlier, *Hertz* predicted no shareholder recovery. Solvent Chapter 11 cases like *Hertz's* were not common before COVID-19 and, as the world emerges from the pandemic, we expect to see a return to the more typical model of insolvent companies using Chapter 11 to restructure unsustainable capital structures and deal with liquidity, cash-flow and other balance-sheet issues.

Scott J. Greenberg, Gibson Dunn: There has definitely been a big slow down. If you consider how far the pendulum swung from 2020 — and while there are typical ebbs and flows in bankruptcy — this year marked a drastic shift in a short period of time. Tons of capital in the market to save otherwise distressed borrowers was the story of 2021. White hot capital markets bailed out (or delayed the inevitable) for many borrowers, so

Tons of capital in the market to save otherwise distressed borrowers was the story of 2021.

defaults were down pretty drastically.

Jim Mazza, Skadden: While the effects of the COVID-19 pandemic, especially the advent of variants, persisted throughout 2021, the rate of commercial chapter 11 filings

decreased compared to 2020. Continued government spending, low interest rates, and ready access to the capital markets allowed borrowers to kick the can down the road through amendments and borrower-friendly refinancing transactions. Restructuring activity over the past year was largely limited to certain sectors (*e.g.*, commercial real estate, healthcare, retail, and travel), unique liability management situations such as mass torts and opioids, or one-time events such as the so-called “Texas freeze.”

Henry Owsley and Peter Kaufman, Gordian: The pace of activity slowed from the energy-driven cases in 2020. The principal factors causing the change were a flood of liquidity and a large uptick in oil prices.

Damian Schaible, Davis Polk: 2021 brought an interesting mix of COVID-era restructurings, largely continued from last year and earlier, and post-COVID transactions borne of the incredibly hot market we've found ourselves in. The former involved some tough situations in energy (like *Fieldwood*), retail (like *Washington Prime*) and opioids (like *Purdue*). The latter involved a lot of liability management and runway extension transactions (like *Riverbed*, *Limetree Bay Terminals* and *Team*), many of which involved junior capital or equity buying runway through capital infusions that would have been almost unthinkable even a year ago.

What sectors saw the most restructuring activity? Why?

Greenberg: There's still a decent amount of activity in anything with ESG headwinds. While the capital markets were open for all — if you had ESG related overhang — they likely were not for you. Many of our deals have ESG related factors that have prevented regular way financings. Also, supply chain and labor issues have caused hiccups in companies that otherwise have demand. If you don't have the materials or the labor to do the work, unfortunately you can't take

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advantage of the demand and revenue, and profits suffer.

Mazza: The healthcare and commercial real estate sectors experienced the most restructuring activity. COVID-19 imposed a double whammy of exorbitant costs and revenue reductions on healthcare providers. But for unprecedented government stimulus, we likely would have seen even more in-court healthcare restructurings. Meanwhile, the real estate industry experienced significantly reduced retail traffic, non-payment of rent combined with eviction moratoriums, and decreased demand for office properties. In

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addition, we saw the continued consolidation of the offshore drilling industry as companies de-leveraged balance sheets in restructurings and rationalized operations by taking rigs out of service, and there was also a sudden spate of energy filings as a result of the Texas freeze.

Owsley and Kaufman: Oil and gas (although down from the year before), due to regulatory issues. Senior living due to lower census and higher operating costs. Travel, *etc.* due to the effects of COVID.

This year, the economy was beset with supply chain disruptions, extreme weather events and civil unrest in some states, among other challenges. How did these impact restructuring activity this year?

Glenn and Schmidt: Supply chain issues will clearly lead to more inflation and higher interest rates, which will be catalysts for restructuring activity. The jury is out on the timing and severity of these events. The advent of ESG investing as a response to extreme weather events, inequality, and other social and environmental issues, raises the question of how committed companies will be to the once widely accepted principle that they must only focus on maximizing returns to shareholders. If companies start prioritizing ESG issues, even at the expense of shareholder returns, we can expect to see some of them reorganizing their businesses — including through

divestment of assets — to address those issues. In certain situations, the shifting priorities can also be expected to result in financial distress and bankruptcy. A notable example is the new dynamic unfolding in the exploration and production (E&P) industry, where some companies are facing immense pressure from activist investors to divest carbon-intensive businesses — some of which are highly profitable — and focus instead on green alternatives. It remains to be seen whether creditors and other stakeholders can successfully bring legal claims to challenge such initiatives if they result in financial failure.

Greenberg: The Texas storm last winter caused a fallout that is still being felt. Supply chain has hit the auto sector very hard (despite demand) and looks like it will continue to do so in 2022.

Owsley and Kaufman: Relatively little.

Carl Tullson, Skadden: Interestingly, although it was quickly apparent that the supply chain issues would impact the automotive industry, there was a dearth of in-court automotive industry restructurings in 2021. On the other hand, the freezing temperatures in Texas and the subsequent power crisis quickly led to increased restructuring activity and a series of bankruptcy filings, revealing the devastating effects that a short-term disruption to the power grid can have on the energy sector. Among other factors, companies incurred enormous costs by purchasing replacement power at high rates and

experienced an instant severe liquidity need due to being unhedged on natural gas contracts.

How did these changes affect your firm’s corporate restructuring practice?

Glenn and Schmidt: We have focused on corporate governance and shareholder activism until restructuring activity resumes.

Greenberg: It became a year that was less about big chapter 11 cases for the most part, and more about financings and “kick the can” transactions (*i.e.*, amend and extend). Most borrowers were able to navigate their way clear of a true in-court recapitalization process, so folks were more focused on putting capital to work than retooling a company’s balance sheet.

Tullson: We were involved in a number of financing, capital raising, and liability management transactions that allowed various clients to avoid in-court restructuring processes. We also spearheaded some unique transactions in the automotive and energy sectors. In particular, we facilitated an out-of-court asset sale of a portfolio of 30 car dealerships after a securities fraud indictment led to installation of a court-appointed monitor. On the utility side, we represented a public natural gas utility that had an urgent instant liquidity need due to obligations under “spot” contracts for the purchase of natural gas during the Texas freeze. The company was able to quickly raise sufficient debt because of the

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combination of its strong credit rating and low interest rates, highlighting both the ability of today's market to resolve short-term issues as well as the challenges companies may face in future situations when market conditions are not as borrower-friendly.

SPAC Analytics says 63% of US IPOs this year to date were SPACs (566 of 901), which collectively raised \$152 billion. The number of SPACs is more than double 2020's, with 248 SPAC IPOs, raising \$83 billion. What impact, if any, did the SPAC craze have in the corporate restructuring industry?

Glenn and Schmidt: The SPAC craze we witnessed this year is yet another manifestation of the significant liquidity the Fed has unleashed on the market and the fact that, in this ultra-accommodative environment, people are extremely hungry for yield. Some of the recent SPAC mergers have involved very aggressive projections, which would not have been allowed in a traditional IPO. Dissatisfied investors can be expected to sue the de-SPAC companies, SPAC sponsors, and perhaps SPAC targets, for relying on overly optimistic projections that failed to materialize. Claims may also be brought in connection with sponsor-incentives included in many SPAC deals — such as the “sponsor promote” — which may not have been properly disclosed to, or understood,

by public investors. In the event of a Chapter 11 filing by the de-SPAC company, such claims may have to be sorted out by a bankruptcy court,

In this ultra-accommodative environment, people are extremely hungry for yield.

which typically involves numerous stakeholders fighting over limited sources of recovery.

Greenberg: It saved a lot of distressed borrowers. Several companies we were involved in and likely headed for a restructuring of some sort were saved by SPAC investors. Whether those turn out to be sound investments in the long run remains to be seen.

Mazza: For many attorneys, the incredible volume of SPAC work provided a substitute for the soft restructuring market that characterized 2021. Given the quantity of SPAC deals, there may be restructuring opportunities to the extent valuations were on the higher end of the spectrum in a bull market and the resulting de-SPAC transaction might have involved too much leverage. Time will tell. Additionally, because SPACs typically have a pre-determined limited acquisition window, it is possible SPACs might be used as section 363 acquisition vehicles for distressed assets if the restructuring market picks up.

Owsley and Kaufman: This is just one more way liquidity entered the system. Risky debt is being refinanced or bought out, rather than

being restructured.

Were there any other trends in 2021?

Greenberg: Mass torts continued to permeate the courts and keep folks busy. Whether it was *Purdue* confirmation, *Mallinckrodt* which is in the second month of confirmation, or the news around J&J's challenged Texas two-step, even the capital markets can't bail out mass tort driven

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bankruptcies.

Owsley and Kaufman: We are likely getting closer to a market top across the board, leading to refinancing challenges ahead.

Schaible: Hot markets, historically astonishing amounts of capital being raised and ready to be put to work, and very loose financing documents meant many traditional equitization restructurings were avoided with capital infusions, liability management and amend-and-extend transactions. We worked on a number of deals for groups of creditors that in normal times would have been traditional restructurings but instead morphed into capital raises or other out-of-court transactions.

Tullson: A consistent conversation among industry professionals is whether inflation is here to stay and, if so, how it will affect monetary

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policy, and, in turn, the restructuring market. Given that — as the Wall Street Journal reported on December 10, 2021 — inflation has now hit a 39-year high, the narrative that current inflationary pressures are merely “transitory” may be difficult to sustain. Then again, who would have predicted 18 months ago the market would be where it is after a global pandemic drove most of the labor force to work from home and resulted in a significant hit to GDP? All eyes will be on how any potential interest rate increases (see Volcker circa 1979) will impact the covenant-lite borrowing trends we have seen for even highly leveraged and distressed companies. On the other hand, there remain record amounts of private equity “dry powder” on the sideline, and folks will be looking to put that capital to work.

Was there any court decision, case or transaction this year that might set off a trend or may influence how restructurings are done in the future? Or, were there cases that took an unexpected or surprising turn? How?

Glenn and Schmidt: Following the Second Circuit’s decision in *Momentive* and the Third Circuit’s decision in *EFH* a few years ago concerning the enforceability of make-whole premiums in bankruptcy, there was a belief that market participants finally had enough guidance on how to draft loan agreements and indentures to ensure clarity on whether a make-

whole payment will be owed in a bankruptcy, and under what terms. The recent make-whole litigations in *Hertz* and *Mallinckrodt* — which have brought to the fore unresolved questions concerning the allowability of make-whole premiums where the creditor is unimpaired or its debt is reinstated — have shown us make-whole disputes are far from a thing of the past. Another takeaway is that the willingness of market participants to test and litigate new, creative legal theories should not be underestimated.

Owsley and Kaufman: Liability minimization (Texas Two-Step, significant releases, etc.) will probably accelerate until the government acts.

Schaible: We will see what, if anything, Congress does with the recent noise around third-party releases coming out of the *Purdue* and *Boy Scouts* cases. The reality is third-party releases are a necessary component of many of the toughest restructurings, and the Bankruptcy Code provides a very defined set of rules that limit and provide for court supervision over releases. Hopefully Congress doesn’t create unintended consequences that would make it harder to get good deals done!

Tullson: In addition to this year’s mass torts and divisive merger cases, which will continue garnering attention, the industry will closely follow China Evergrande’s restructuring efforts, which will have implications for future restructurings involving foreign investment in China. We will also be watching the resolution of the *TriMark*, *Boardriders*, and *Murray Energy* cases. Each of these cases considers aspects of the recent

trend towards “lender on lender” violence we’ve seen in “uptier” exchange transactions. In these transactions, a majority of lenders agree to exchange their existing loans for new superpriority loans, without the consent of non-participating minority lenders, whose existing loans are thereby subordinated. *TriMark* and *Boardriders* involve disputes around whether there is a well-understood definition of an “open market purchase.” The assignment provision of credit agreements in the term loan B market often permits the borrower or its affiliates to purchase loans from lenders on a non-pro rata basis through an open market purchase or Dutch auction, thereby providing an exception to the pro rata sharing requirement and restriction on assignment of loans to the borrower. The *TriMark* and *Boardriders* transactions both combined majority-approved amendments to the existing credit agreements with open market “repurchases” of loans from participating lenders as well as issuing to those lenders new superpriority debt or debt otherwise favorable to them. In a similarly litigated uptier transaction, certain minority lenders in the *Murray Energy* case are challenging the interpretation of what constitutes a Dutch auction. The resolution of these cases may have ramifications for borrowers considering a similar debt exchange as part of an out-of-court restructuring.

What do you consider as your challenge in the past year?

Glenn and Schmidt: Starting up

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a new law firm while representing key stakeholders in *Garrett Motion* and *Hertz*.

Greenberg: Staying busy and keeping the team occupied in a slower restructuring environment. We were lucky in that we stayed very busy through 2022. Some was tail wind from 21 — many were new mandates we were able to land. I am thankful to our clients for keeping us fully utilized even in a low default environment.

Mazza: The changing COVID-19 environment this year meant that we needed to continue adapting our practice, whether through varied in-office interactions, creative team building, or a slight increase in business travel compared to late 2020. Towards the end of the year, it was great to start to see a return to the office, particularly as it relates to the development of more junior attorneys. We would also add the courts, in particular, have navigated this environment and the challenges it brings extremely well, allowing for even lengthy and heavily contested matters to be heard on a fully remote basis. It will be interesting to see how courts around the country navigate the return of in-person hearings and which technological adaptations are here to stay.

Owsley and Kaufman: Managing through a remote environment, training junior professionals remotely, obtaining business in a very depressed default rate environment.

Your (or your firm's) greatest success?

Glenn and Schmidt: Glenn Agre's greatest success in 2021 was unquestionably the Hertz Chapter 11 case, where we collaborated on behalf of our clients — an ad hoc group of shareholders — with Knighthead and Certares to orchestrate a winning bid that valued Hertz at \$7 billion, offered it a path out of Chapter 11, and gave shareholders what was once thought impossible: \$8 per share, marking a positive return on any stock bought after the company's bankruptcy filing.

Greenberg: Wrapping up *NPC, Tailored Brands*, our successful litigation strategy in *Mallinckrodt* were all big "wins" for us. We also successfully pulled off some out-of-court change of control transactions in *Southern Graphics* and *IPC Systems*. It really was a bit more of a mix this year than in years past.

Mazza: 2021 was marked by a number of successes in which we helped clients avoid in-court restructurings by solving issues with out-of-court restructuring techniques. A noteworthy case in which an in-court process provided a restructuring solution was CMC II, a company that managed approximately 140 skilled nursing facilities operated by its affiliates. CMC II and five of its affiliates filed for chapter 11 after having a \$258 million False Claims Act judgment entered against them based on conduct committed by a predecessor entity more than a decade ago. We represented certain non-debtor affiliates of the debtors. Through the chapter 11 process, we provided a DIP financing package and stalking horse bid to acquire the assets and assume the operating liabilities

of CMC II and its debtor affiliates, and after many months of litigation and hard-nosed negotiations, the parties reached a global settlement resolving the judgment and allowing uninterrupted services to over 12,000 residents during the pandemic. The case is a testament to how the chapter 11 process can bring parties to the table and accomplish a commercial deal, particularly when the alternatives are not very attractive.

Owsley and Kaufman: Being able to look forward to 2022.

Schaible: I am proud of my partners' work on the *Purdue* bankruptcy, which may be the most complex Chapter 11 case in United States history. It had more than \$40 trillion of filed claims, more than 614,000 claimants and more than 120,000 creditors voting on the plan, each of which is without precedent. The more than 15 interlocking settlements embodied in the plan include the federal government, 38 attorneys general and 11 ad hoc groups representing every conceivable category of claimant against the company and the Sackler family. The plan received virtually universal support, with more than 95% of creditors voting to accept. It contemplates turning the debtors into a public benefit company for the benefit of the American people and also embodies a \$4.325 billion settlement with the shareholders. Notwithstanding the district court decision overturning the Plan, I have every confidence that the outcome will be favorable to the parties and the American people. ☐

Research Report

Who's Who in LTL Management's Bankruptcy Case

by Carlo Fernandez

LTL Management, LLC, a newly created unit of Johnson & Johnson, filed for Chapter 11 bankruptcy in North Carolina to deal with roughly 38,000 lawsuits against Johnson & Johnson that claim the company's baby powder was contaminated with cancer-causing asbestos.

Johnson & Johnson is an American multinational corporation founded in 1886 that develops medical devices, pharmaceuticals, and consumer packaged goods. It is the world's largest and most broadly based healthcare company.

Johnson & Johnson is headquartered in New Brunswick, New Jersey, the consumer division being located in Skillman, New Jersey. The corporation includes some 250 subsidiary companies with operations in 60 countries and products sold in over 175 countries. The corporation had worldwide sales of \$82.6 billion in 2020.

LTL Management was formed to manage and defend thousands of talc-related claims and oversee the operations of Royalty A&M. Royalty A&M owns a portfolio of royalty

revenue streams, including royalty revenue streams based on third-party sales of LACTAID, MYLANTA/MYLICON and ROGAINE products.

LTL Management was first created through a corporate restructuring on Oct. 12, 2021, two days before its bankruptcy filing. As a result of this restructuring, the former Johnson & Johnson Consumer Inc. ("Old JJCI"), a subsidiary of Johnson & Johnson ("J&J"), ceased to exist and two new corporate entities were created. The first is the Debtor, which initially was formed as a Texas limited liability company, and then converted into a North Carolina limited liability company. The second entity was also initially formed as a Texas limited liability company, but then it was merged into J&J and changed its name to Johnson & Johnson Consumer Inc. ("New JJCI"). Through the restructuring, the Debtor received certain limited assets from Old JJCI, together with all of Old JJCI's liabilities arising from talc-related claims.

LTL Management filed a petition for Chapter 11 protection (Bankr. W.D.N.C. Case No. 21-30589) in

Charlotte, North Carolina, on Oct. 14, 2021. The bankruptcy case was transferred to Trenton, New Jersey (Bankr. D.N.J. Case No. 21-30589) in mid-November 2021.

As of the Petition Date, there were 38,000 ovarian cancer cases pending against the Debtor, including 35,000 cases pending in a federal multi-district litigation in New Jersey, and 3,300 cases in multiple state court jurisdictions across the country. In addition to the ovarian claims, more than 430 mesothelioma cases were pending against the Debtor.

As part of LTL's Chapter 11 filing, J&J and New JJCI have agreed to advance an aggregate amount of \$2 billion under the funding agreement into a qualified settlement fund for the payment of cosmetic talc claims. These funds will be dedicated exclusively for use in paying such claims. Although the Debtor and J&J strongly believe \$2 billion is substantially in excess of any liability the Debtor should have, J&J and New JJCI have made this commitment to eliminate any doubt regarding the Debtor's financial ability to pay legitimate claims.

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The Debtor also received an equity interest in Royalty A&M LLC, which operates a royalty management and finance business that has royalty streams with a present value of over \$350 million.

LTL Management filed for bankruptcy in the Western District of North Carolina, a court that has garnered a reputation for being friendly to businesses looking to rid themselves of asbestos liabilities. But U.S. Bankruptcy Judge Craig Whitley decided in November the case should be in New Jersey, where J&J is headquartered and where a large chunk of the talc litigation is concentrated.

The Official Talc Claimants Committee claims LTL Management's request for an order allowing it to set up a \$2 billion "qualified settlement fund" to pay talc claims is an attempt to bypass normal bankruptcy procedures and get court approval for settlement and Chapter 11 plan terms "unilaterally" dictated by Johnson & Johnson.

The Talc Committee has also sought dismissal of the Chapter 11 case, arguing the proceeding is a

sham designed to insulate the parent company from billions in liability.

In its motion to toss the bankruptcy, the Talc Committee argues Johnson & Johnson executed a divisive merger transaction known as a "Texas two-step" for the sole purpose of creating LTL Management and siloing its talc liability with the new entity while protecting the talc assets, which amounts to a bad faith filing.

"This [Debtor] is a dummy entity with facially inadequate capitalization created only to purge all of J&J's and Old JJCI's massive talc-related tort liability, all in order to hinder and delay injured talc creditors, and indeed injured talc creditors only, from accessing J&J's assets and providing J&J with a section 524(g) channeling injunction and a section 105 stay against present and future talc claims."

"Johnson & Johnson has a better credit rating than the United States of America. At the moment of the divisive merger in this case, it had approximately \$31 billion in cash on its balance sheet, and it has a market cap of approximately a half-trillion dollars. Nevertheless, when

it purported to push its many billions of dollars of talcum powder-related liabilities into LTL, its litigation management vehicle, it funded that anemic entity with a mere \$6 million in cash and an unrelated royalty stream supposedly worth \$375 million, and an illusory contract right under a funding agreement," the Talc Committee added.

Bankruptcy Judge Michael Kaplan said he would block off four days beginning on Feb. 15, 2022, for a hearing in his Trenton, New Jersey, courtroom on a motion to dismiss the bankruptcy.

DEBTOR

Jones Day is the Debtor's bankruptcy counsel, with partner **Gregory M. Gordon** leading the engagement. Partner **Brad B. Erens**, of counsel **Dan B. Prieto** and associate **Amanda Rush** are also involved in the case. In addition to providing legal services to J&J concerning the Texas divisional merger, Jones Day also represented J&J and Old JJCI prepetition in connection with advice regarding restructuring matters related to talc liabilities and other related

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legal services.

AlixPartners, LLP, is serving as the Debtor's financial advisor. **John Castellano** and **Randall Eisenberg** are the managing directors responsible for the overall engagement.

Wollmuth Maher & Deutsch LLP, led by Bankruptcy & Restructuring Group head **Paul R. DeFilippo**, partners **James N. Lawlor**, **Brad J. Axelrod** and **Lyndon M. Tretter**, and associate **Joseph F. Pacelli**, is serving as the Debtor's local counsel in New Jersey.

Rayburn Cooper & Durham, P.A., served as local bankruptcy counsel to the Debtor in North Carolina. **John Miller, Jr.**, a partner at Rayburn, led the engagement.

Bates White, LLC, is serving as talc consultants with **Charles H. Mullin, Ph.D.**, the managing partner of Bates White, leading the engagement. Bates White is providing expert and consulting services relating to the evaluation and estimation of the Debtor's talc liability, and is serving as consultant to the Debtor in connection with *In re Imerys Talc America, Inc.*, Case No. 19-10289 (LSS) (Bankr. D. Del.)

King & Spalding LLP, led by New York partner **Kristen R. Fournier**, is serving as special counsel, tasked to advise the Debtor on issues relating to the defense of talc-related claims. Since at least the Fall of 2017, K&S has represented J&J, Old JJCI and now the Debtor in matters related to the defense of talc claims alleging asbestos contamination.

Weil, Gotshal, Manges LLP, led by Restructuring co-chair **Gary Holzer**, and partners **Diane Sullivan**, **Ronit Berkovich**, and **Theodore Tsekerides**, has been tapped as special counsel to continue representation of the Debtor in the Imerys case and trial counsel with respect to talc litigation. Weil represents both J&J and Old JJCI in Imerys.

Shook, Hardy & Bacon L.L.P., led by partner **Kathleen A. Frazier**, is the Debtor's special counsel concerning ovarian cancer talc litigation. Shook has served as National Coordinating Counsel for J&J and Old JJCI in connection with talc-related litigation for more than a decade, and specifically in connection with litigation involving ovarian cancer claims since 2017.

McCarter & English LLP, led by partners **Thomas W. Ladd** and **Brett Kahn**, is insurance counsel and talc litigation counsel. McCarter & English represented J&J and Old JJCI for nearly five years in insurance coverage matters relating to talc liabilities.

Epiq Corporate Restructuring, LLC, is the claims, noticing, and ballot agent.

OFFICIAL TALC CLAIMANTS' COMMITTEE

Shelley Abel, the U.S. Bankruptcy Administrator for the Western District of North Carolina, formed an official committee of talc claimants in the Debtor's Chapter 11 case. The talc claimants committee consists mostly of claimants who suffered from cancer or have lost family members to cancer linked to J&J's talc-based products.

Members of the committee pursuant to the North Carolina bankruptcy judge's Nov. 8, 2021 order are Rebecca Love (c/o **Ashcraft & Gerel, LLP**), Kellie Brewer (c/o **Fears Nachawati Law Firm**), Tonya Whetsel (c/o **Karst von Oiste LLP**), William A. Henry (c/o **Levin Papantonio Rafferty**),

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Who's Who in LTL Management's Bankruptcy Case

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Darlene Evans (c/o **OnderLaw, LLC**), Patricia Cook (c/o **Weitz & Luxenberg, P.C.**), Alishia Landrum (c/o **Beasley Allen Law Firm**), Blue Cross Blue Shield of Massachusetts (c/o **Hill Hill Carter Franco Cole & Black, PC**), Kristie Doyle (c/o **Kazan, McClain, Satterley & Greenwood PLC**), Randy Derouen (c/o **Levy Konigsberg LLP**), and April Fair (c/o **Robinson Calcagnie, Inc.**).

Bailey Glasser LLP is the Talc Committee's co-lead counsel. Bailey Glasser's representation of the Committee is led by the Honorable **Thomas B. Bennett** (Ret.), former Chief Judge of the U.S. Bankruptcy Court for the Northern District of Alabama and Of Counsel of Bailey Glasser, and **Brian A. Glasser**, a partner and founder of Bailey Glasser.

Brown Rudnick LLP, is serving as co-counsel for the Talc Committee.

Sunni P. Beville, a managing Director of the Dispute Resolution & Restructuring Department and a Partner in the Bankruptcy & Corporate Restructuring Practice Group at Brown Rudnick, leads the engagement. Partners **David J. Molton**, **Robert J. Stark**, **Michael**

Winograd and **Jeffrey L. Jonas** assist in the engagement.

Otterbourg PC, led by members **Melanie L. Cyganowski** and **Adam C. Silverstein**, and of counsel **Jennifer S. Feeney**, is serving as co-counsel for the Talc Committee. Ms. Cyganowski is a former Chief United States Bankruptcy Judge for the Eastern District of New York. Otterbourg served as counsel for the Plaintiffs' Steering Committee in the multi-district litigation (the "MDL") but ceased representing the Plaintiffs' Steering Committee Upon the Talc Committee's selection of Otterbourg as co-counsel.

Genova Burns LLC, led by partner **Daniel M. Stolz**, and counsels **Donald W. Clarke** and **Matthew I.W. Baker**, is the local counsel to the Talc Claimants Committee in New Jersey.

Parkins Lee & Rubio LLP is serving as the Talc Committee's special counsel, tasked to participate in negotiations with J&J and providing legal assistance in connection with talc claims valuation and estimation. Founding partners **Lenard M. Parkins**, **Kyung S. Lee**, and **Charles**

M. Rubio, and associate **R.J. Shannon** are the Parkins attorneys involved in the case.

Massey & Gail LLP, led by founding partner **Jonathan S. Massey**, is also serving as special counsel. M&G provided legal services for the benefit of the law firms identified as the Mesothelioma Group prior to being retained by the Committee.

OVARIAN CANCER

CLAIMANTS

Pachulski Stang Ziehl & Jones LLP, led by **Laura Davis Jones**, **Karen B. Dine**, **Colin R. Robinson**, and **Peter J. Keane**, is advising in the Chapter 11 case the firm of **Arnold & Itkin LLP**, which represents over 7,000 talc personal injury claimants with ovarian cancer (including 848 who are plaintiffs in lawsuits that are part of the multidistrict litigation in the District of New Jersey).

Andrews Myers, P.C., led by **Lisa M. Norman**, and **The Layton Law Firm, PLLC**, led by **Christopher D. Layton**, are serving as bankruptcy counsel to the Williams Hart Plaintiffs, a group of approximately 500 ovarian cancer claimants represented by the

Research Report

Who's Who in LTL Management's Bankruptcy Case

Continued from page 11

law firm of **Williams Hart Boundas Easterby, LLP**.

Offit Kurman, P.A., led by **Paul J. Winterhalter**, and **KTBS LAW LLP**, led by **Michael L. Tuchin**, **Robert J. Pfister**, **Samuel M. Kidder**, **Nir Maoz**, are serving as attorneys for **Aylstock, Witkin, Kreis & Overholtz, PLLC**, which claims to represent thousands of holders of talc personal injury claims.

MESOTHELIOMA GROUP

Massey & Gail LLP, led by name partner **Jonathan S. Massey**, and **Waldrep Wall Babcock & Bailey PLLC**, led by founding partner **Thomas W. Waldrep Jr.**, partners **Kevin L. Sink**, **James C. Lanik**, and **Jennifer B. Lyday**, and associates **John R. Van Swearingen** and **Natalia L. Talbot**, are representing the Mesothelioma Group, comprised of law firms **Maune Raichle Hartley French & Mudd, LLC**; **Levy Konigsberg LLP**; **Kazan, McLain, Satterly & Greenwood**; and **Weitz & Luxenberg P.C.** The Mesothelioma Group represents the vast majority of mesothelioma victims with pending talc-related actions.

THIRD-PARTY PAYOR

Halperin Battaglia Benzija, LLP, led by **Alan D. Halperin**, **Walter Benzija**, and **Donna H. Lieberman**; **Rawlings & Associates**, led by **Mark D. Fischer**, and **Robert C. Griffith**; and **Hagens Berman Sobol Shapiro LLP**, led by **Thomas M. Sobol**, and **Lauren G. Barnes**, are serving as co-counsel to The Blue Cross and Blue Shield Association.

BCBSA is the carrier of the Service Benefit Plan, also known as the Federal Employee Program, and in that capacity, has responsibility for administering the pharmacy and medical benefits for 5.5 million Federal Employee Program members. BCBSA, which sits on the Talc Claimants Committee, asserts an unsecured claim of between \$100 million and \$110 million as a direct result of the actions of the Debtor's affiliates and predecessors with respect to certain talc products manufactured and marketed by those companies.

FUTURE CLAIMS

REPRESENTATIVE

Joseph W. Grier III was selected

by the Debtor to serve the interests of talc claimants whose injuries have not yet emerged. Mr. Grier is a founding partner of **Grier Wright Martinez, P.A.**, based in Charlotte, North Carolina. He has served as the future claims representative in the mass tort bankruptcies of *Garlock Sealing Technologies* and *Aldrich Pump/Murray Boiler*.

PARENTS

Lowenstein Sandler LLP, led by **Kenneth A. Rosen**; and **White & Case LLP**, led by partners **Jessica C. Lauria**, **Glenn M. Kurtz**, and **Michael C. Shepherd**, associate **Laura L. Femino**, are serving as bankruptcy co-counsel for Johnson & Johnson Consumer Inc. ("New JJCI") and J&J.

Moore & Van Allen PLLC is J&J's local counsel in North Carolina.

JUDGE

The Hon. **Michael B. Kaplan**, a former small-town mayor who became a chief bankruptcy judge, is the case judge in Trenton, New Jersey. The Hon. **Craig Whitley** was the bankruptcy judge in North Carolina. □

Forecasting, from page 1

with another twist in the plot of a seemingly never ending virus.

Investors in the distressed markets value somewhat topsy-turvy market conditions. These investors invest in companies that are undervalued, distressed, undergoing a financial restructuring or bankruptcy proceeding. The investors look at high yield debt, bankruptcy trade claims, distressed securities and bank loans. While the markets are in flux, reverberating from the recent news, two strategies may prove beneficial for distressed investors in 2022. The first strategy is a focus on investing in Europe and the emerging markets for distressed investments. The second strategy is a focus on direct lending to companies that cannot source traditional financing. This bifurcated approach of distressed investing may prove successful in an environment where the federal funds rate has remained close to zero.

I often write about time, comparing and contrasting the distressed markets from a legal perspective, at the beginning and close of the calendar year. Charles F. Kettering, a lauded American inventor and engineer credited with inventing the electrical starting motor, said it best, *“My interest is in the future because I am going to spend the rest of my life there.”* Let’s look at these two strategies for the coming calendar year.

Investing Abroad and Risk Factors

Distressed investors should continue to review investments in Europe and the emerging markets. These markets often trail behind the U.S. and offer investment opportunities for distressed investors. Opportunities abound. While these investment opportunities exist, there are a multitude of risk factors to be mindful of. For example, certain issues and challenges arise when a U.S. investor is seeking to invest abroad. Three common and key issues are discussed below.

First, various restrictions on transfer function as a barrier to entry to investing foreign markets. Foreign loans will often restrict who can hold the loans. If a U.S. investor wants to lend to a foreign borrower, it is critical to have domestic and foreign legal counsel review the credit documentation to ensure the loans can be transferred. Syndicates may be narrowly defined to a small group of lenders. High transfer fees may reduce the liquidity of the loan. An investor and its counsel should carefully review the relevant credit agreement and focus on definitions of eligible assignee and permitted transferee. They should also pay close attention to definitions of disqualified lenders, disqualified investors and disqualified institutions. These definitions will clearly state who can and cannot be

a new lender. A borrower may have a list of prohibited parties that cannot hold the loans and the agent usually maintains this list. An investor who seeks to disregard such barriers to entry may find that they have a trade that is null and void.

Second, there may be multiple layers of KYC (Know Your Customer) requirements that may prove onerous and can certainly delay or even prevent a deal from happening. A seller, borrower and agent bank may require details on the investor. Distressed investors should have legal counsel thoroughly review the requirements before committing to an investment abroad. Such requirements may prove too burdensome and costly. To further complicate matters, KYC requirements vary from deal to deal and can truly function as yet another barrier to entry in trading in these markets.

Third, once an investor verifies that it can in fact meet the requirements to become a new lender, the investor will need to determine how it will purchase the loans. The investor can choose to take the loans by assignment or participation. The Loan Market Association has secondary market transaction documents that investors can use for their trades. The execution of transaction documents may provide additional hurdles for an investor. Loan transfers may require additional documentation, such as notarized

Forecasting, from page 13

deeds or local filings. Investors must also look out for tax issues that arise in buying and selling loans, such as issues relating to withholding taxes. If the investment is made by participation, there are additional complexities. For example, a grantor may not be entitled to a tax deduction for its payments to the participant. There may be a costly stamp duty or a stamp duty reserve tax that is payable by the parties upon a sale of loans. Buyers are responsible for conducting their own tax analysis. In order to invest abroad it is critical to have investment counsel and tax counsel that can specialize in bespoke transactions and advise on multi-jurisdictional issues. There is no textbook formula when it comes to investing abroad and having specialized legal advice, particularly in foreign jurisdictions, is critical to a distressed investor's success.

Direct Lending

The second strategy for distressed investors in 2022 includes direct lending. Direct lenders are investors, not banks, that are making loans to a business. Therefore, there is not an intermediary. Direct lending requires investors with requisite skill and expertise to navigate private debt loans. The companies at issue are often over leveraged and not able to avail themselves of the public

lending markets. Direct lending requires investors to operate in an opaque market overflowing with legal complexities — the investors are making loans in a private market. Investors are willing to delve deep into murky territory with greater risk for a higher return. Unlike a syndicated loan, these loans are less liquid and the companies involved are smaller and middle market. The loans have shorter terms than syndicated loans and the direct lenders are usually holding the loans to maturity. To compensate for the higher risk, distressed investors are taking secured positions. Direct lending documents differ from documents in a syndicated loan where there are less covenants and therefore, less restrictions on the borrower. Direct lenders benefit from more covenants. Finding direct lending opportunities may yield returns for distressed investors.

Even with the swirling uncertainty surrounding the pandemic, distressed investors should consider employing or continuing these two investment strategies for 2022. With less than half the month of December remaining, we all hope for a better year ahead void of virus variants. Distressed investors are agile and can navigate investment opportunities abroad while being mindful of the many risks that come with the territory. Domestic and foreign legal counsel certainly prove critical in distressed investments. I

just wish we as counsel were as helpful in warding off the Omicron villain of 2021.



Jennifer Pastarnack

About the Author

Jennifer Pastarnack leads Sullivan & Worcester's Global Debt and Claims Trading practice, and works with hedge funds, investment banks and asset managers in multinational trade claim transactions and distressed investing matters. She represents clients in secondary loan trades in the U.S. and European markets and is an active member of the Loan Syndication and Trading Association (LSTA) and the Loan Market Association (LMA). She obtained her J.D. at New York Law School and Bachelor of Science degree in Industrial & Labor Relations at Cornell University. ☐

Special Report

Sources of Debtor-in-Possession Financing

| DIP Agent/Lenders | Debtor Entity | Total Loan Amount |
|---|---|-------------------|
| 405 SENTINEL, LLC | Limetree Bay Services, LLC Houston, TX | \$25,000,000 |
| 888 CAPITAL PARTNERS, LLC | A.B.C. Carpet Co. Inc. New York, NY | \$6,350,000 |
| AB PRIVATE CREDIT INVESTORS LLC | Nine Point Energy Holdings, Inc. Denver, CO | \$18,000,000 |
| ABN AMRO BANK N.V.; ACCESS LENDER, LLC | HTP, Inc. Sammamish, WA | \$13,000,000 |
| ACF FINCO I LP; ARES CAPITAL CORPORATION | Agspring Mississippi Region, LLC Leawood, KS | \$1,500,000 |
| ACQUIOM AGENCY SERVICES LLC, AND TMF GROUP NEW YORK, LLC | Automotores Gildemeister SpA Santiago, Chile | \$26,500,000 |
| AES ANDES SA | Alto Maipo Delaware LLC Santiago, Chile | \$50,000,000 |
| AI LOAN COMPANY LLC | Augustus Intelligence Inc. New York, NY | \$2,000,000 |
| ARES CAPITAL CORPORATION; ACF FINCO I LP | Teligent, Inc. Iselin, NJ | \$12,000,000 |
| BARCLAYS BANK PLC; CREDIT SUISSE LOAN FUNDING LLC; DEUTSCHE BANK SECURITIES INC.; GOLDMAN SACHS LENDING PARTNERS LLC; AND JPMORGAN SECURITIES LLC | Intelsat S.A., Luxembourg and Tysons, VA | \$7,875,000,000 |
| BMO HARRIS BANK, N.A., AND PEOPLE'S UNITED BANK, N.A. | Carla's Pasta Inc. South Windsor, CT | \$1,500,000 |
| BOSTON ENERGY TRADING AND MARKETING, LLC | Liberty Power Holdings, LLC Fort Lauderdale, FL | \$40,000,000 |
| BUONA SORTE HOLDINGS, INC.; PAL HOLDINGS INC. | Philippine Airlines, Inc. Pasay, Philippines | \$505,000,000 |
| CANTOR FITZGERALD SECURITIES | Frontera Holdings LLC Princeton, NJ | \$70,000,000 |
| CANYON FARM II LLC | Easterday Ranches, Inc. Pasco, WA | \$2,000,000 |
| CENTERRA GOLD (KB) INC. | Kumtor Gold Company CSJC Kyrgyz Republic | \$10,000,000 |
| CNH FINANCE FUND I, L.P. | HBL SNF, LLC White Plains, NY | \$4,000,000 |
| COMMONWEALTH CARE ALLIANCE, INC. | Vitality Health Plan of California, Inc. Cerritos, CA | \$1,600,000 |

Special Report

Sources of Debtor-in-Possession Financing

Continued from page 15

| DIP Agent/Lenders | Debtor Entity | Total Loan Amount |
|--|---|-------------------|
| CORTLAND CAPITAL MARKET SERVICES LLC | Country Fresh Holding Company, Inc. The Woodlands, TX | \$13,400,000 |
| D & G INVESTORS, L.L.C. AND WILMINGTON TRUST, N.A. | CiCi's Holdings Inc. Coppell, TX | \$9,000,000 |
| DELAWARE TRUST COMPANY; STAR V PARTNERS LLC; BLACKWELL PARTNERS LLC; ALTA FUNDAMENTAL ADVISORS MASTER LP AND ALTA FUNDAMENTAL ADVISERS SP LLC | Rockdale Marcellus LLC Canonsburg, PA | \$60,000,000 |
| FELLC | Flix Brewhouse NM LLC Albuquerque, NM | \$1,500,000 |
| FINANCE OF AMERICA MORTGAGE LLC | Renovate America, Inc., Irving, TX | \$50,000,000 |
| FMT SJ CATERING LLC | SC SJ Holdings LLC San Ramon, CA | \$9,000,000 |
| FORTRESS CREDIT CORP. | Alamo Drafthouse Cinemas Holdings, LLC Austin, TX | \$60,000,000 |
| GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P. | ORG GC Midco, LLC Houston, TX | \$6,000,000 |
| GUGGENHEIM CREDIT SERVICES, LLC | Basic Energy Services, Inc. Fort Worth, TX | \$35,000,000 |
| INTER-COMMUNITY HEALTH SYSTEMS, INC. AND CATHOLIC HEALTH SYSTEM, INC. | Eastern Niagara Hospital, Lockport, NY | \$3,800,000 |
| JPMORGAN CHASE BANK, N.A. | Brazos Electric Power Cooperative, Inc. Waco, TX | \$350,000,000 |
| JPMORGAN CHASE BANK, N.A. | Superior Energy Services, Inc. Houston, TX | \$120,000,000 |
| JPMORGAN CHASE BANK, N.A. | Tri-Wire Engineering Solutions, Inc. Woburn, MA | \$1,100,000 |
| KKR LOAN ADMINISTRATION SERVICES LLC | Collected Group, LLC Chino, CA | \$9,200,000 |
| LEADERS GROUP HOLDINGS LLC | SportTechie, Inc. Washington DC | \$1,100,000 |
| LEGALIST DIP GP, LLC | SVXR, Inc. San Jose, CA | \$2,000,000 |
| LEGALIST DIP GP, LLC | Equestrian Events, LLC Maple Park, IL | \$1,450,000 |
| LEGALIST DIP GP, LLC | R & R Industries Daytona Beach, FL | \$1,000,000 |

Special Report

Sources of Debtor-in-Possession Financing

Continued from page 16

| DIP Agent/Lenders | Debtor Entity | Total Loan Amount |
|--|---|-------------------|
| LIGHTSHIP CAPITAL II LLC | Strike, LLC The Woodlands, TX | \$8,000,000 |
| MIDCAP FINANCIAL TRUST | Paper Source, Inc. Chicago, IL | \$16,000,000 |
| MONARCH ALTERNATIVE CAPITAL LP AND WILMINGTON TRUST, N.A. | EHT US1, Inc. Singapore | \$100,000,000 |
| MORGAN STANLEY CAPITAL ADMINISTRATORS, INC. | Sundance Energy Inc. Denver, CO | \$50,000,000 |
| MPT OF WATSONVILLE LENDER, LLC | Watsonville Hospital Corporation Watsonville, CA | \$16,000,000 |
| MREF REIT LENDER 15 LLC | Evergreen Gardens Mezz LLC Brooklyn, NY | \$7,000,000 |
| NEWMARK GROUP | Knotel, Inc. New York, NY | \$40,800,000 |
| OAKTREE CAPITAL MANAGEMENT, L.P., APOLLO MANAGEMENT HOLDINGS, L.P. | LATAM Airlines Group S.A. Santiago, Chile | \$750,000,000 |
| OHI ASSET FUNDING (DE), LLC | Gulf Coast Health Care, LLC Pensacola, FL | \$25,000,000 |
| ORION ENERGY PARTNERS INVESTMENT AGENT, LLC; BANK LEUMI USA | CarbonLite Holdings LLC Los Angeles, CA | \$174,000,000 |
| PACIFIC LIFE INSURANCE CO. | Wardman Hotel Owner, L.L.C. Washington DC | \$8,000,000 |
| PRUDENTIAL CAPITAL PARTNERS AND FALCON INVESTMENT ADVISORS, LLC | AAC Holding Corp. Dallas, TX | \$35,000,000 |
| RESTORE CAPITAL, LLC | GBG USA Inc. New York, NY | \$16,000,000 |
| SANDTON CAPITAL SOLUTIONS MASTER FUND V, LP | OFS International Houston, TX | \$16,500,000 |
| SAYBROOK FUND ADVISORS, LLC | Regional Housing & Community Services Corp. Hickory, NC | \$5,000,000 |
| SB INVESTMENT ADVISERS (UK) LIMITED | Katerra Inc. Scottsdale, AZ | \$35,000,000 |
| SEAPORT LOAN PRODUCTS LLC | Secure Home Holdings LLC Newton Square, PA | \$45,000,000 |
| SECURECOMM, LLC | Collab9, LLC Torrance, CA | \$1,770,000 |
| STRATEGIC VALUE PARTNERS, LLC | Washington Prime Group Inc. Columbus, OH | \$100,000,000 |

Special Report

Sources of Debtor-in-Possession Financing

Continued from page 17

| DIP Agent/Lenders | Debtor Entity | Total Loan Amount |
|--|--|-------------------|
| SUMMITBRIDGE NATIONAL INVESTMENTS VIII LLC | Red River Waste Solutions, LP Dripping Springs, TX | \$2,800,000 |
| THE BOEING COMPANY | TECT Aerospace Group Holdings, Inc. Wichita, KS | \$60,200,000 |
| TIGER FINANCE, LLC | Aluminum Shapes, L.L.C. Delair, NJ | \$15,500,000 |
| TOR ASIA CREDIT MASTER FUND LP | CP Holdings LLC Dallas, TX | \$3,000,000 |
| TRIMONT REAL ESTATE ADVISORS, LLC; BROOKFIELD STRATEGIC REAL ESTATE PARTNERS II; HOSPITALITY REIT II LLC | Hospitality Investors Trust, Inc. New York, NY | \$65,000,000 |
| TVN VENTURES, LLC | MobiTV, Inc. Emeryville, CA | \$15,500,000 |
| UMB BANK, N.A. | Alpha Latam Management, LLC Wilmington, DE | \$45,000,000 |
| UMB BANK, N.A. | Buckingham Senior Living Community, Inc. Houston, TX | \$3,400,000 |
| UMB BANK, N.A. | MTPC LLC Franklin, TN | \$1,500,000 |
| VISUAL TECHNOLOGY INNOVATIONS, INC. | Stream TV Networks, Inc. Philadelphia, PA | \$1,000,000 |
| VITANOVA BRANDS | Fresh Acquisitions, LLC San Antonio, TX | \$3,500,000 |
| WELLS FARGO BANK, N.A. | WB Supply LLC Pampa, TX | \$9,000,000 |
| WILMINGTON SAVINGS FUND SOCIETY, FSB AND ICG DEBT ADMINISTRATION LLC | Alpha Media Holdings LLC Portland, OR | \$115,000,000 |
| WILMINGTON TRUST, N.A.; FS KKR CAPITAL CORP.; DARBY CREEK LLC; DUNLAP FUNDING LLC; APOLLO INVESTMENT CORPORATION | Sequential Brands Group, Inc. New York, NY | \$150,000,000 |
| WILMINGTON TRUST, N.A.; THE PRUDENTIAL INSURANCE COMPANY OF AMERICA; PRUDENTIAL LEGACY INSURANCE COMPANY OF NEW JERSEY; AND PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY | Agilon Energy Holdings II LLC Houston, TX | \$30,000,000 |

Worth Reading

The Successful Practice of Law

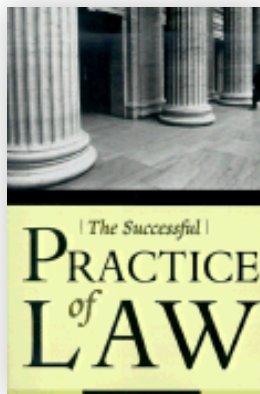
Author: John E. Tracy

Publisher: Beard Books

Softcover: 470 pages

List Price: \$34.95

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Originally published in 1947, *The Successful Practice of Law* still ably serves as a point of reference for today's independent lawyer. Its contents are based on a series of non-credit lectures given at the University of Michigan Law School, where the author began teaching after 26 years of law practice. His wisdom and experience are manifest on every page, and will undoubtedly provide guidance for today's hard-pressed attorney.

The Successful Practice of Law provides timeless fundamental guidelines for a successful practice. It is intended neither as a comprehensive reference work, nor as a digest of law. Rather, it is a down-to-earth guide designed to help lawyers solve everyday problems — a ready-to-tap source of tested proven methods of building and maintaining a sound practice.

Mr. Tracy talks at length about developing a client base. He contends that a firemen's ball can prove just as useful as an exclusive party at the country club in making contacts with future clients. He suggests seeking work from established firms as a way to get started before seeking collections work out of desperation.

In his chapter on keeping clients, Mr. Tracy gives valuable lessons in people skills: "(I)f a client tells you he cannot sleep nights because of worry about his case, you will ease his mind very much by saying, 'Now go home and sleep. I am the one to do the worrying from now on.'" Rather than point out to a client that his legal predicament is partly his fault, "concentrate on trying to work out a program that will overcome his mistakes." He cautions against speculating aloud to clients on what they could have done differently to avoid current legal problems, lest they change their stories and suddenly claim, falsely, that they indeed had done that very thing. He also advises against deciding too quickly that a client has no case: "After you have been in practice for a few years you will be surprised to find how many seemingly desperate cases can be won."

Mr. Tracy advises studying as the best use of downtime. He quotes Mr. Chauncey M. Depew: "The valedictorian of the college, the brilliant victors of the moot courts who failed to fulfill the promise of their youth have neglected to continue to study and have lost the enthusiasm to which they owed their triumphs on mimic battle fields." Mr.

Tracy advises against playing golf with one's client every time he asks: "My advice would be to accept his invitation the first time, but not the second, possibly the third time but not the fourth."

Other topics discussed by Mr. Tracy, with the same practical, sound advice, include fixing fees, drafting legal instruments, examining an abstract of title, keeping an office running smoothly, preparing a case for trial, and trying a jury case. But some of the best counsel he offers is the following:

You cannot afford to overlook the fact that you are in the practice of law for your lifetime; you owe a duty to your client to look after his interests as if they were your own and your professional future depends on your rendering honest, substantial services to your clients. Every sound lawyer will tell you that straightforward conduct is, in the end, the best policy.

That kind of advice never ages. □

About The Author

John E. Tracy was Professor Emeritus and Member of University of Michigan Law School Faculty from 1930 to 1969. Professor Tracy practiced law for more than a quarter century in Michigan, New York and Chicago before joining the Law School faculty in 1930. He retired in 1950. He was born in 1880. He died in December 1969.

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Special Report

Outstanding Restructuring Lawyers 2021

| Name | Outstanding Achievements |
|--|---|
| <p>JUSTIN BERNBROCK Sheppard, Mullin, Richter & Hampton LLP Chicago, IL jbernbrock@sheppardmullin.com University of Illinois (J.D., magna cum laude, 2012)</p> | <p>Represented a Beal Bank affiliate in connection with Chapter 11 cases of B.J. Services, Inc., and its affiliated debtors, helping the client recover more than any other secured creditor and pay only a fraction of fees that other parties paid; Alpha Media, which confirmed within 60 days a fully consensual plan that eliminated the entire \$267M funded debt and provided the company with \$120+M exit financing, becoming one of the first companies in history to receive PPP funding while in Chapter 11; SLT Lending SPV, Inc. in connection with the acquisition of the Sur La Table enterprise via 363 sale process; Seadrill Partners, LLC, in restructuring \$2.5+B funded debt, and in connection with multi-month marketing and negotiation process regarding debtors' master services agreements, whereby debtors' off-shore oil rigs were set to be transitioned to new services providers; and liquidating trustee for Neiman Marcus Liquidating Trust, which is responsible for administration of unsecured claims filed in the case, advising on claims analysis/reconciliation process.</p> |
| <p>AMY CATON Kramer Levin Naftalis & Frankel LLP New York, NY acaton@kramerlevin.com University of Texas School of Law (J.D., 1997)</p> | <p>Assisted the Brazos Unsecured Creditors' Committee, in negotiations surrounding a reorganization plan and investigating the events of 2021's Texas Winter Storm Uri; Unsecured Creditors' Committee in Hertz (~\$19B in prepetition debt), in substantially reducing payments to secured lenders during the case, and in marketing Hertz to bidders that resulted in payment of all unsecured claims in full; PREPA bondholders, in the restructuring of Puerto Rico's \$8B of electric utility debt; Holders of ~\$350M "Purple Line" bonds issued to fund construction of Maryland Purple Line, a 16-mile light rail project serving the D.C. metro area, resulting in bondholders being paid in full; and Holders of \$75M in subordinated bonds in CalPlant, an innovative public-private partnership in California that turns a byproduct of rice farming into a more environmentally friendly fiberboard.</p> |
| <p>MATTHEW A. CLEMENTE Sidley Austin LLP Chicago, IL mclemente@sidley.com University of Illinois College of Law, (J.D., summa cum laude, Order of the Coif, 1998)</p> | <p>Acted for the Unsecured Creditors' Committee of Highland Capital Management (~\$2.5B in assets under management and over \$1B of claims asserted), defeating debtor's initial Chapter 11 plan, then driving confirmation of committee-supported plan that provided for the monetization of assets and pursuit of causes of action against debtor's founder and his affiliates; Oversight board and litigation trustee, following the Highland Capital Plan effective date; Unsecured Creditors' Committee of Borden Dairy, facilitating multiple rounds of increased bidding at auction, which resulted in \$340M sale of company to a group led by Capital Peak Partners and KKR, and global settlement in connection with the sale, leading to a greater distribution for unsecured creditors; MUFG Bank, Mizuho Bank, and Sumitomo Mitsui Banking in connection with \$600+M loans to Samarco Mineracao S.A., which suffered one of the worst environmental disasters in Brazilian history when one of its tailings dams broke in 2015; and Atlantic Park, which sponsored a \$1.35B preferred equity offering under the Equity Holders Committee's plan of reorganization for Garrett Motion — while the plan ultimately did not proceed forward, Atlantic Park's efforts drove a favorable settlement for equity holders; Great Hill Partners, in transactions in Yoga Works, Inc.'s bankruptcy, including a unique settlement with debtor and committee; and Merced Capital in connection with insolvency proceedings of Scottish Re, valued in excess of \$50M.</p> |

Special Report

Outstanding Restructuring Lawyers 2021

Continued from page 20

| Name | Outstanding Achievements |
|---|--|
| <p>ANDREW GLENN Glenn Agre Bergman & Fuentes New York, NY aglenn@glennagre.com Benjamin N. Cardozo School of Law, Yeshiva University (J.D., magna cum laude, 1995)</p> | <p>Represented an ad hoc committee of Hertz shareholders, orchestrating a deal that gave shareholders who stayed the course an unprecedented payout of \$8 per share when the original plan of reorganization gave them nothing — identifying multiple trends coming together to boost Hertz’s value, and structuring a winning bid for a group of investors, in collaboration with Knighthood Capital Management and Certares Management LLC, that valued Hertz at \$7B; Equity Holders’ Committee in Garrett Motion, exploring alternatives to plans proposed by other stakeholders and endorsed by the Debtors, and participating in mediation that led to negotiation of a global settlement reflected in a new Chapter 11 plan that provided significantly enhanced recoveries to minority shareholders in the form of the right to receive convertible preferred stock or a cash payout of \$6.25 per share in cash — a 30% premium over the market price on Jan. 8, 2021; Ambac Assurance, in a matter against Autopistas Metropolitanas de Puerto Rico LLC (Metropistas), a Puerto Rican highway infrastructure company, over concessions for two highways the insurer said were bought at a fraction of their worth; and shareholder committee of LATAM Airlines, which includes large U.S.-based investors and Chilean shareholders, engaging with debtors and other large stakeholders to negotiate a Chapter 11 plan that would maximize value for shareholders.</p> |
| <p>SCOTT J. GREENBERG Gibson Dunn & Crutcher LLP New York, NY sgreenberg@gibsondunn.com Emory University (J.D., with honors, Order of the Coif, 2002)</p> | <p>Guided an ad hoc cross-holder term lender group in connection with Serta Simmons’ \$2B first lien facility and over \$420M second lien facility; Ad hoc term lender group under Mallinckrodt’s \$1.9B first lien facility; Ad hoc term lender group under an almost \$600M first lien facility with Global Eagle Entertainment, structuring an \$80M DIP financing to bridge to a sale where the ad hoc group served as stalking horse bidder, and ultimately becoming the reorganized company’s new owners; Ad hoc group of Skillsoft’s term lenders, negotiating a deal that facilitated confirmation of an exit plan that reduced debt burden by roughly \$1.5B and provided the majority of the reorganized equity and debt to the ad hoc term lender group; Ad hoc group of NPC International’s term lenders, which received nearly par following a sale process at the height of the pandemic; Ad hoc group of first lien term lenders of Garrett Motion, Inc., in connection with the restructuring of \$1.86B funded debt, ultimately providing prepetition lenders a par plus accrued recovery; Ad hoc group of first lien term loan lenders and secured noteholders holding in excess of \$4B of claims of Diamond Sports Group; and Ad hoc group of Endo International’s secured creditors, over attempts to globally resolve overwhelming opioid liabilities.</p> |

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Outstanding Restructuring Lawyers 2021

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| Name | Outstanding Achievements |
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| <p>KRISTOPHER HANSEN Stroock & Stroock & Lavan LLP New York, NY khansen@stroock.com Fordham University School of Law (J.D., 1995)</p> | <p>Advised secured creditors in Sandy Creek Energy’s out-of-court restructuring that involved debt-for-equity and take-back debt exchange of over \$1.3B; and currently representing reorganized company with respect to claims and contracts in Brazos Energy Cooperative’s Chapter 11 cases; Outerstuff, LLC, over negotiation and amendment of term loan and ABL credit facilities, reorganization of ownership structure and amendment of licenses with major sports-league counterparties; Ad hoc group of lenders in connection with out-of-court takeover, refinancing and restructuring of Array Marketing; Secured debtholders in complex cross-border transactions involving Carlson Travel, including takeover and recapitalization of entire balance sheet, totaling over \$1.5B; Ad hoc group of TPC Group noteholders with over \$1B in secured debt; Unsecured Creditors’ Committee and then the Plan administrator of Fieldwood Energy; JPMorgan Chase Bank as agent on Garrett Motion’s multibillion dollar, multi-currency secured term loan; Secured noteholders of Guitar Center; Unsecured Creditors’ Committee of The McClatchy Company; Unsecured Creditors’ Committee of Extraction Oil and Gas; Mezzanine lenders to Summit Midstream in connection with \$150M out-of-court debt-to-equity exchange; Boardriders, in refinancing and capitalization through open market purchases that staved off Chapter 11, and currently defending litigation commenced in the wake of deal. Led talks to restructure \$600+M secured debt and capitalize Travel Leaders Group, avoiding full-scale restructuring; restructure \$500+M of secured liabilities of Pyxus Corp.; in debt-to-equity exchanges involving Lonestar and Chaparral; and in note exchange involving Revlon.</p> |
| <p>MARSHALL HUEBNER Davis Polk & Wardwell LLP New York, NY marshall.huebner@davispolk.com Yale Law School (J.D., 1993)</p> | <p>Assisted Purdue Pharma on its comprehensive restructuring settlement of \$40+ trillion of asserted claims; Administrative agent for revolving notes issued under Hertz’s \$11B asset-backed vehicle-financing structure — the Chapter 11 plan required repayment of the ABS Facility in cash in full upon emergence using proceeds from a new vehicle financing facility; Delta Air Lines, a LATAM Airlines shareholder, in connection with the \$1.3B tranche A provided by Oaktree Capital Management and Knighthead Capital and \$1.15B tranche C provided by certain LATAM Airlines shareholders and Knighthead Capital; American Airlines’ loyalty program partner in connection with American’s \$10B financings secured by its AAdvantage loyalty program; and Aeroméxico on its cross-border restructuring of billions of dollars of debt, guiding the Mexican airline company through many significant milestones in its restructuring process.</p> |

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| Name | Outstanding Achievements |
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| <p>JEFFREY L. JONAS Brown Rudnick LLP New York, NY jjonas@brownrudnick.com Boston College (J.D., cum laude, 1988)</p> | <p>Represented ad hoc group of unsecured noteholders of Alpha LATAM (the majority of \$700M notes) in this highly complex cross-border bankruptcy matter; Equity Security Holders' Committee of Washington Prime Group, Inc., reaching a settlement with the largest unsecured bondholder, Strategic Value Partners, avoiding a month's long valuation trial; Catalyst Capital Group, the largest debtholder and equity owner of Advantage Rent a Car, on a number of matters, including its provision of \$34M DIP financing and the successful sale of a number of Advantage airport locations to SIXT, a European rental car company; Catalyst Capital, in its rescue of a Canadian entertainment company; Unsecured Creditors' Committee of Chesapeake Energy; Unsecured Creditors' Committee of Briggs & Stratton, cutting a deal that paved the way for a Chapter 11 plan of liquidation and resulted in a significant distributions to unsecured creditors; Unsecured Creditors' Committee of Basic Energy Services, which sought Chapter 22 this year amid allegations of widespread corporate malfeasance; the Financial Oversight and Management Board for Puerto Rico, acting through its Special Claims Committee, filing 250+ lawsuits to invalidate more than \$6B of bond indebtedness and claw back \$4B unlawfully paid on the challenged bonds and other unlawful agreements; Unsecured Creditors' Committee of Ultra Petroleum, cutting a deal that afforded unsecured creditors a meaningful allocation of estate value; and Ad Hoc Committee of Unsecured Bondholders of McDermott International, reaching a global settlement that yielded substantial equity ownership to the unsecured bondholders.</p> |
| <p>ROSS KWASTENIET Kirkland & Ellis LLP Chicago, IL ross.kwasteniet@kirkland.com University of Michigan Law School (J.D., cum laude, 2001)</p> | <p>Represented Valaris plc, whose confirmed plan contemplated full deleveraging of the company, discharging \$7.1B in debt, and raising \$500M in new money; Seadrill Limited and certain of its direct and indirect subsidiaries in their multi-jurisdictional restructuring of ~\$6.1B of funded debt, confirming a Chapter 11 plan with near-universal consensus that will reduce liabilities by \$4.9B and raise \$350M in new financing; and Windstream Holdings, Inc., which confirmed a Chapter 11 plan that addresses \$5.6+B in funded debt obligations, provides \$750M equity rights offering, and positions the company to achieve long-term goals; and in litigation to recharacterize a \$3.5B spin-off and master lease of certain telecommunications network assets, resulting in an innovative settlement that provided over \$1.2B in net present value and billions of dollars of improvement to Windstream's telecommunications infrastructure. Acted for Murray Energy Holdings Co., which completed a going-concern sale and emerged from Chapter 11, shedding much of the \$2.7+B funded debt and \$8B in actual or potential legacy liabilities; played pivotal role in resolving separate bankruptcy proceedings filed by two affiliates, Foresight Energy and Murray Metallurgical Coal Holdings; achieved a global settlement with unsecured creditors and the founding family; successfully litigated attacks by an aggressive competitor and recalcitrant lender; and addressed important environmental, antitrust and other regulatory matters to ensure a smooth transition for the go-forward businesses.</p> |

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| Name | Outstanding Achievements |
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| <p>ARIK PREIS Akin Gump Strauss Hauer & Feld LLP New York, NY apreis@akingump.com University of Virginia School of Law (J.D., 2000)</p> | <p>Guided the Unsecured Creditors' Committee of Purdue Pharma L.P., investigating Purdue's settlement framework and acting as central negotiator in mediation, resulting in additional contribution from the Sackler family of \$1.325B in value (for a total contribution of at least \$4.325B) for victims of the opioid crisis; Opioid Related Claimants' Committee of Mallinckrodt plc, analyzing whether the restructuring support agreement, which establishes a \$1.6B trust to resolve and provide limited compensation for opioid-related claims, represented a fair outcome for the claimants; Ad Hoc Group of Holders of 7.625% Senior Secured Second Priority Notes due 2020 issued by Hertz Global Holdings (\$350M in outstanding principal obligations), ensuring protection of group's interests, and advising them on litigation about the extent of the collateral package, including a dispute over \$890M of Hertz's cash as of the petition date; Plan provided for payment in full of the claims of holders of the Second Lien Notes, plus post-petition interest at the contractual rate through the date of payment; and Insys Therapeutics Unsecured Creditors' Committee, developing case procedures to achieve a fair allocation of limited assets and consensual plan on an expedited timeline, and negotiating with other creditors that led to a fully consensual liquidation plan.</p> |
| <p>SANDY QUSBA Simpson Thacher & Bartlett LLP New York, NY squsba@stblaw.com Syracuse University (J.D., cum laude, 1994)</p> | <p>Co-led team advising JPMorgan Chase Bank as administrative agent, in connection with Jonah Energy's \$750M Second Amended and Restated Credit Facility and related out-of-court balance sheet restructuring that slashed debt by \$580M. Assisted the Independent Transaction Committee of Garrett ASASCO in Garrett Motion Inc.'s Chapter 11; Goldman Sachs Lending Partners and JPMorgan as joint lead arrangers and bookrunners, in the DIP financing for Avianca, comprised of a partial rollup of existing debt, seller financing and \$1.2B of new funds; Pyxus International in prepackaged financial restructuring, implemented by utilizing a rare Bruno's tax structure, renegotiating \$500M in foreign lines of credit, slashing \$635+M in principal amount of existing second lien debt, extending the maturity on \$281M of first lien debt, and obtaining access to ~\$290M exit facility; and later advised Special Committee of Pyxus' Board of Directors in securing \$120M working capital term loan from two principal shareholders. Trusted counsel to JPMorgan, representing the lender in crucial financings for companies in midst of vital restructurings, including California Resources Corporation's prepetition \$900M credit facility and \$483M senior secured superpriority DIP credit facility; a \$675M senior secured exit financing facility for Noble Corp.; and exit financing for Hertz.</p> |

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| Name | Outstanding Achievements |
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| <p>CAROLINE RECKLER Latham & Watkins LLP Chicago, IL caroline.reckler@lw.com University of Michigan Law School (J.D., 2001)</p> | <p>Advised GNC Holdings, Inc., which sold substantially all assets to an existing shareholder, Harbin Pharmaceutical Group Holding Co. Ltd., for \$770M, preserving the business as a going concern; Canadian-based Calfrac Well Services Ltd. (and certain of its affiliates), in its Chapter 15 proceedings in connection with the company's recapitalization transaction, slashing total debt by C\$576M and reducing annualized cash interest payments by as much as C\$51M; Sable Permian Resources, LLC and its eight affiliates, to restructure \$1.3+B in funded debt obligations; Nine Point Energy Holdings, in ongoing Chapter 11 case to address \$260+M in funded debt obligations; and Houston-based Alta Mesa, with \$1.1B in outstanding debt., in a myriad of complicated governance, intercompany and structuring issues, and litigation stemming from the potential rejection of a gathering agreement between upstream and midstream entities, resulting in a landmark decision on the treatment of the agreements in bankruptcy, with far-reaching implications for future upstream and midstream oil and gas companies.</p> |
| <p>MATTHEW B. STEIN Kasowitz Benson Torres LLP New York, NY MStein@kasowitz.com Fordham University School of Law (J.D., cum laude, 2003)</p> | <p>Represented MDC Energy, helping debtor complete its marketing process and sell substantially all of its assets early this year, and then obtain confirmation of a bankruptcy-exit plan following a two-day contested hearing; Equity Security Holders' Committee of Garrett's Motion, aggressively engaging with debtors and various stakeholders, including efforts to propose a competing standalone plan of reorganization on behalf of the Equity Committee, to maximize the equity security holders' recovery; Second lien term lenders in the Fieldwood Energy bankruptcy case, negotiating with debtors and existing first lien lender group to secure a significantly enhanced recovery for the second lien term lenders who previously were set to receive no recovery; Strategic Value Partners, holder of debt issued by the Pennsylvania Real Estate Investment Trust, helping SVP reach a consensual deal with debtor, maximizing SVP's recovery; Davidson Kempner Asia and Cowell & Lee Advisors, senior noteholders in the complex, cross-border bankruptcy of China Fishery Group; Certain non-debtor affiliates of MatlinPatterson entities; and Columbia Property Trust and its affiliates 880 Broadway Owner and 880 Broadway Tenant, master landlords, in the Chapter 11 cases of ABC Carpet and Amma421.</p> |

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| Name | Outstanding Achievements |
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| <p>RACHEL C. STRICKLAND Willkie Farr & Gallagher LLP New York, NY rstrickland@willkie.com New York University School of Law (J.D., 1998)</p> | <p>Counsel to an ad hoc group which held more than \$1.6B of Hertz's senior unsecured notes due 2022, 2024, 2026 and 2028, actively engaging with company counsel in negotiating DIP financing, asset sales and plan negotiations to ensure a global resolution that maximizes value for all. Represents GBG USA Inc. and affiliates in their Chapter 11 cases, including substantial cross border dispute resolution and corporate governance advice. Special litigation and corporate counsel to Talc Claimants' Committee in the Imerys Talc America chapter 11 cases, acting for the Committee in the mediation, litigation and negotiations that have culminated in the filing of a Plan and Disclosure Statement, a Trust Agreement and Trust Distribution Procedures, and a motion to approve the sale of substantially all of the Debtors' assets, with the proceeds contributed to a trust that will compensate victims, and advising the Committee in connection with the LTL Management bankruptcy. The North American Refractories Company Asbestos Personal Injury Settlement Trust, a perpetual asbestos personal injury settlement trust formed pursuant to the North American Refractories Company's bankruptcy plan.</p> |
| <p>LOUIS R. STRUBECK, JR. O'Melveny & Myers LLP Dallas, TX and New York, NY lstrubeckjr@omm.com Temple University (J.D., 1983)</p> | <p>Guided Unsecured Creditors' Committee in the National Rifle Association's Chapter 11 cases, working cooperatively with debtors and other creditor constituencies to closely review and scrutinize insider transactions for purposes of maximizing value to unsecured creditors, including significant involvement in multiple depositions and a multi-day trial regarding the dismissal of the chapter 11 bankruptcy cases; Brazos Electric Power Cooperative, Texas' oldest and largest electric utility cooperative, navigating a myriad of complex state law and novel bankruptcy issues in the ongoing effort to restructure Brazos' nearly \$7B in claims asserted as a result of the unprecedented, deadly and destructive February 2021 Texas winter storm; and JPMorgan Chase (\$328M of secured debt), the primary lender to Boy Scouts of America, successfully negotiating a cash collateral arrangement that funded debtors' post-bankruptcy operations and settlement with debtors and Unsecured Creditors' Committee of potential claims challenging JPMorgan's liens against essentially all of debtors' assets as part of the Chapter 11 plan. Joined O'Melveny from Norton Rose Fulbright in June 2021.</p> |

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Special Report: Successful Restructurings of 2021

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