

Restructuring Insolvency and Bankruptcy in the United States

Overview

"I wanted to express, as I've done in previous hearings, my admiration for the lawyers who have participated in the case. I think that when this case first came on board, I was concerned that it would be a difficult matter for the Court... and as it's turned out, it's not been such a matter. The reason for that is the extreme professionalism of all of the counsel who've been involved in the case. Counsel for the creditors, committee counsel for the principal creditors in the case, and particularly in the counsel for the debtors [Dentons], have all exhibited a high degree of professionalism and competency. The Court never went into a hearing without all of the information it needed for the hearing and with all the briefing it needed for the hearing. That's not always the case. And so, I want to say that on the record."

- Judge Kurtz, Astria Health Hearing (October 2019)

Dentons' award-winning Restructuring, Insolvency and Bankruptcy group offers a deep bench, with more than 30 dedicated practitioners, and coast-to-coast coverage across 23 office locations in the US. We offer extensive skill and experience across all sectors, but are particularly known for our work in finance, health care, energy, insurance and pensions. With more than 300 restructuring lawyers worldwide, and as a member (by invitation only) of INSOL G36, we are also known as a leading firm in cross-border insolvency matters.

Our partners are consistently recognized as market leaders by prominent legal directories such as *Chambers* and *Partners USA* and *U.S. News - Best Lawyers, Best Law Firms*, where we have been praised for providing "clear, unambiguous advice" and "outstanding service," and for being "extremely pragmatic in [our] approach."

What distinguishes our practice is our proven ability not only to quickly and effectively resolve restructurings no matter how complex, novel or contentious, but also to deliver significant value to our clients by maintaining a sensible, business-oriented perspective throughout an engagement. Our business-focused approach, which centers on maximizing returns available to all stakeholders, contributes greatly to the likelihood of a successful reorganization. Our involvement, at any given time, in multiple large and complex restructuring matters ensures that our lawyers are aware, ahead of our competitors, of the tactics and legal theories at the forefront of bankruptcy and financial restructuring.

We provide advice to clients on both the creditor and debtor sides. We also represent official and unofficial committees, lenders, purchasers, trustees and other parties and interests. Our team regularly evaluates competing jurisdictions domestically and around the world, identifying those jurisdictions and laws that are best suited to address our clients' needs and protect their interests.

Our lawyers are equally at home in out-of-court workout scenarios, assignments for the benefit of creditors, receiverships, foreclosures and Chapter 7 cases, as in a Chapter 11 case. In fact, we regularly advise debtors, potential debtors, creditors and other clients as to the relative advantages and disadvantages of each undertaking in any particular situation.

Representative Experience

- **American Hospice Management Holdings LLC:** Represented American Hospice Management Holdings LLC and 11 related entities in their Chapter 11 proceedings in Delaware. Dentons' representation included a successful auction, which resulted in an increase of almost 60% over the stalking horse bid, approval of \$9 million cumulative sale of the company's assets in six states in three separate transactions, as well as a comprehensive settlement of a \$5.5 million claim with the Medicare program, enabling buyers to settle any successor liability issues and avoid operating under a Corporate Integrity Agreement. Prior to the sale approval, Dentons also advised American

Hospice in securing debtor-in-possession funding.

- **Bluberi Technologies, Inc.:** Representing this major designer and developer of gaming technology and equipment, and its subsidiaries, in Chapter 15 proceedings in the US Bankruptcy Court for the Northern District of Illinois and in parallel Companies' Creditors Arrangement Act proceedings in Montreal.
- **EFG Bank AG, EFG Bank (Monaco), and European Financial Group EFG (Luxembourg) S.A.:** Representing as defense counsel in a suit brought in the Bankruptcy Court of the Southern District of New York seeking to recover investments withdrawn from the Fairfield Funds, feeder funds for Bernard L. Madoff Investment Securities, LLC (BLMIS).
- **Extended Stay, Inc.:** Serving as counsel to the trustee of a CMBS Remic trust holding more than US\$4 billion in secured debt secured by more than 650 hotels owned by a nationwide hotel chain, at the request of a special servicer of a large structured transaction.
- **Federal-Mogul:** Representing the Official Creditors' Committee. It is one of the largest auto parts and systems manufacturers and distributors in the world, with operations throughout the US and Europe.
- **Official Committee of Unsecured Creditors for Dura Automotive:** Representing the Official Committee of Unsecured Creditors in the Dura Automotive case. Dura is approximately a US\$1 billion revenue automotive supply business with multiple locations in the US and outside of the US. Early case issues the Committee has been active on include the Final DIP Financing, the proposed bidding and sale process, the Key Employee Retention Plan and discovery matters.
- **Official Committee of Unsecured Creditors of Hovensa LLC:** Representing in the Chapter 11 proceedings of Hovensa, a joint venture owned by a subsidiary of Hess Oil and Venezuela-owned PDVSA. The case achieved a sale in less than four months, which had previously had failed to be accomplished over a period of a year pre-bankruptcy, allowing unsecured creditors to receive a substantial recovery.
- **IHOP Franchising LLC:** Representing the company and related entities in the Chapter 11 cases involving 19 restaurants of a Midwestern US franchisee. These cases were heavily litigated and IHOP ultimately obtained (i) appointment of a trustee for the franchisees, (ii) a going-concern sale of most of the restaurants to an approved operators and (iii) payment of significant cure costs to IHOP, including for revenue underreporting. We are also representing IHOP with respect to a newly filed case of a Midwest-based franchisee.
- **Longview Power LLC:** Advising as special litigation counsel in Longview's Chapter 11 bankruptcy protection filing in the US Bankruptcy Court for the District of Delaware. Longview, a US\$2 billion, 700-megawatt coal-fired power generation facility outside Morgantown, West Virginia, was subject to \$400 million of mechanics' lien claims asserted by construction contractors in the bankruptcy case and parallel arbitration proceedings, which were settled or resolved for much lesser amounts.
- **Michael Frege, insolvency administrator for Maple Bank GmbH:** Representing the German Insolvency Administrator for Maple Bank GmbH in its US Chapter 15 proceedings. Maple Bank GmbH was shut-down by German banking regulators because of allegations of tax evasion and money laundering. The US Chapter 15 proceedings supported a sale by Maple Bank GmbH of a subsidiary US broker/dealer and also provided a forum to resolve disputes between the German Insolvency Administrator and the liquidator of Maple Bank GmbH's Toronto Branch, which was subject of Canadian winding-up procedures, over the ownership of assets located within the territory of the United States claimed by both.
- **Montreal Maine & Atlantic Railway, Ltd:** Serving as counsel to the directors and officers and certain related companies of US and Canadian cross-border debtors Montreal Maine & Atlantic Railway, Ltd., and Montreal Maine & Atlantic Canada Co. in simultaneous cross-border bankruptcy/insolvency proceedings arising from the derailment of 72 tanker cars carrying Bakken crude oil through eastern Quebec. The bankruptcy cases and related claims were resolved in a US\$338 million settlement.
- **Northstar Aerospace (USA), Inc.:** Representing the company and its affiliated US debtors in Chapter 11 cases. Northstar's products include military and civilian helicopter transmissions, and the debtors were owned by a Canadian company listed on the Toronto Stock Exchange. Parallel Companies' Creditors Arrangement Act proceedings for the Canadian affiliates of Northstar were also filed, including a cross-border protocol for the two proceedings, and joint cross-border sale process and joint debtor-in-possession financing hearings. The matter resulted in a going-concern sale of the US and Canadian assets for approximately US\$120 million of cash and assumed liabilities. There was also a complex international arbitration post-closing related to purchase price adjustment related disputes.
- **Nuo Therapeutics Inc.:** Representing Nuo Therapeutics Inc., a Gaithersburg, Maryland based publicly traded biomedical wound care company, in its Chapter 11 proceedings.
- **Official Committee of Retirees for the City of Detroit:** Representing in the largest Chapter 9 bankruptcy case in US history. The committee represented the interests of approximately 23,500 public safety and general city

retirees, as well as the interests of approximately 9,000 dependents, who were owed approximately US\$9 billion in pension and retirement health care benefits. With the assistance of Dentons, almost all pension benefits were protected and health care benefits payments continued. Dentons was awarded *The M&A Advisor's* 2014 "Restructuring of the Year Award" and *Global M&A Network's* 2015 "Turnaround Atlas Award" for this representation.

- **United Airlines, Inc. (UAL):** Representing the Official Creditors' Committee in these Chapter 11 cases, which resulted in a successful plan of reorganization and an enhanced platform to facilitate United's merger with Continental.

Your Key Contacts

United States



Jim (James) R. Irving
Office Managing Partner,
Louisville
D+1 502 587 3606
james.irding@dentons.com



William E. Kelleher, Jr.
Shareholder, Pittsburgh
D+1 412 297 4703
bill.kelleher@dentons.com



Robert E. Richards
Partner, Chicago
D+1 312 876 7396
M+1 630 235 2470
robert.richards@dentons.com