

BANKRUPTCY & FINANCIAL RESTRUCTURING

With nearly 20 full-time bankruptcy and workout lawyers, we have one of the largest bankruptcy and restructuring groups in the region.

Our group includes seasoned litigators, accomplished negotiators, and creative problem solvers. Our size and breadth of experience make us capable of meeting the bankruptcy or restructuring needs that a company or lending institution may have.

As bankruptcy lawyers, our Bankruptcy & Financial Restructuring group possesses both the transactional and litigation experience necessary to represent a wide array of clients effectively. We have experience navigating the ever-shifting alliances among various creditor constituencies, from first-day cash collateral disputes to plan negotiations. Our extensive representation of financial institutions makes us particularly well-suited to document and negotiate DIP and exit-financing facilities. We also frequently assist buyers at bankruptcy auctions, parties facing assumption or rejection of leases in bankruptcy, trade creditors asserting reclamation claims or defending preference actions, and other creditors who are simply trying to understand the ramifications of a bankruptcy filing. In addition, we periodically serve as counsel to debtors and unsecured creditors' committees. We have advocated for virtually every kind of creditor in bankruptcy proceedings and have represented clients in federal bankruptcy courts across the country.

Representative Bankruptcy Matters

Representative Bankruptcy matters include:

Lenders

- *AeroThrust Corporation* (Del.): Representation of agent in a senior secured lending facility with a borrower in the aircraft engine leasing, sales and repair industry.
- *Arch Aluminum & Glass Co.* (S.D. Fla.): Representation of agent in a senior secured lending facility with aluminum and glass manufacturer and distributor.
- *Centennial Healthcare Corporation* (N.D. Ga.): Representation of co-agent for syndicate of lenders with over \$220 million of loan and synthetic lease exposure in bankruptcy involving multi-state nursing home company, including negotiation of confirmed liquidating chapter 11 plan.
- *Crescent Resources, LLC* (W.D. Tex.): Assist with the representation of administrative agent in an approximately \$1.5 billion syndicated facility and \$110 million debtor in possession financing facility in chapter 11 bankruptcy cases of a large real estate developer and its affiliates.
- *Crown Pacific L.P.* (Ariz.): Representation of agent for syndicate of lenders with \$200 million in exposure in negotiating confirmed creditors' plan for debtor timber company. Prepetition, negotiated major restructure involving significant additional collateral coverage, \$78 million pay-down and resolution of difficult intercreditor issues with private placement note holders holding \$250 million of senior debt.

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- *DBSI, Inc.* (Del.): Representation of secured lender with over \$66 million of secured claims against real property in five states.
- *Delta Air Lines, Inc.* (S.D.N.Y.), *Northwest Airlines, Inc.* (S.D. N.Y.), *UAL Corporation* (N.D. Ill.) and *U.S. Airways Group, Inc. I & II* (E.D. Va.): Representation of hub airport with claims arising from leases, landing fees and bond financing.
- *Den-Mark Construction, Inc.* (E.D.N.C.): Representation of secured construction lender in connection with approximately \$14 million of exposure to home builder in chapter 11 proceedings.
- *Flying J, Inc.* (Del.): Representation of secured lender in chapter 11 bankruptcy case of a large fuel refiner and retailer and its subsidiaries.
- *Hendricks Furniture Group, LLC* (W.D.N.C.): Representation of senior secured lender with approximately \$28 million of exposure in connection with chapter 11 proceedings of North Carolina furniture retailer, resulting in consensual plan of reorganization.
- *Interlake Material Handling, Inc.* (Del.): Representation of subordinated secured lender in bankruptcy case of industrial shelving manufacturer and installer.
- *Mammoth Grading Inc.* (E.D.N.C.): Representation of equipment lessor in the chapter 7 bankruptcy case of a grading and construction company.
- *Meadowcraft, Inc.* (N.D. Ala.): Representation of senior lenders in successful chapter 11 bankruptcy where senior debt was consensually restructured.
- *Mercedes Homes, Inc.* (S.D. Fla.): Representation of agent for lenders that extended over \$155 million of senior secured financing to real estate developer that emerged from chapter 11 with a confirmed plan negotiated with, and supported by, senior lenders.
- *Mesa Air Group, Inc.* (S.D.N.Y.): Representation of lessors for multiple aircraft in connection with regional airline's chapter 11 proceedings.
- *Pike Nursery Holding, LLC* (N.D. Ga.): Representation of agent in senior secured lending facility with nursery plant companies.
- *Qimonda Richmond, LLC* (Del.): Representation of indenture trustee for loan participants that extended over \$150 million in leveraged lease equipment financing in connection with lease to semiconductor manufacturer.
- *Railworks Corporation* (Md.): Representation of agent for lender syndicate holding \$200 million in prepetition debt in rail contractor's chapter 11 bankruptcy proceeding. Representation included the negotiation of complex five-facility DIP credit arrangements with debtor and its surety as well as plan of reorganization, which was confirmed.
- *Representation of Landlords and Lessors*: Assist with treatment of unexpired real and personal property leases in tenants' bankruptcy cases. Representations include:
 - *Hancock Fabrics, Inc.* (Del.)
 - *KB Toys, Inc., et al.* (Del.)
 - *Movie Gallery, Inc.* (E.D. Va.)

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- *Silver State Helicopters* (Nev.): Representation of lender with \$30 million secured claim in complex chapter 7 bankruptcy of nationwide helicopter flight training school.
- *Smith Mining & Materials, LLC* (W.D. Ky.): Representation of senior secured lender with \$14 million of exposure in chapter 11 case of multi-state mining company.
- *TransCare Corporation* (S.D.N.Y.): Representation of senior secured lender with \$65 million of prepetition exposure to Manhattan ambulance company in connection with confirmed prepackaged debt-for-equity chapter 11 plan.
- *U.S. Airways Group, Inc. I & II* (E.D. Va.): Representation of hub airport with claims arising from leases, landing fees and bond financing.
- *U.S. Airways Group, Inc. (II)* (E.D. Va.): Representation of agent for syndicate of lenders, including Air Transportation Stabilization Board, under \$1 billion prepetition credit facility in connection with all facets of debtors' bankruptcy proceedings.
- *Wood Structures, Inc.* (Me.): Representation of lender with over \$25 million of secured and unsecured claims in the chapter 7 bankruptcy case of a manufacturer and distributor of manufactured wood products. Other Creditors
- *Ameritex Yarn, LLC II* (M.D.N.C.): Representation of Official Committee of Unsecured Creditors, which was successful in obtaining a 100% recovery, plus interest, for unsecured creditors in involuntary chapter 11 bankruptcy.
- *NEGT Energy Trading-Power, L.P.* (Md.): Representation of one of the largest creditors/chair of the Official Committee of Unsecured Creditors in connection with pursuit of claim arising under an offtake tolling agreement.
- *Prime Carolina LLC* (W.D.N.C.): Representation of secured creditor in pre-bankruptcy foreclosure proceeding and preliminary injunction litigation and in stay litigation in bankruptcy case.
- *Representation of Defendants in Avoidance Actions*: Defend creditors faced with preference and fraudulent transfer actions. Representations include:
 - *Fabrics Estate Inc. f/k/a Propex Inc.* (E.D. Tenn.)
 - *Plastech Engineered Products, Inc.* (E.D. Mich.)
 - *Radnor Holdings Corp.* (Del.)
 - *TALT (Tower Automotive, Inc.)* (S.D.N.Y.)
 - *Tarpon Industries* (E.D. Mich.)
- *Representation of Defendants in Avoidance Actions*: Defend creditors faced with preference and fraudulent transfer actions. Representations include:
 - *Sturgis Iron & Metal Co., Inc.* (W.D. Mich.)
 - *BH S&B Holdings LLC* (S.D.N.Y.)
 - *Rehrig International, Inc.* (Del.)
- *Representation of Landlords and Lessors*: Assist creditors with treatment of unexpired real and personal property leases. Representations include:

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- Circuit City Stores, Inc. (E.D. Va.)
- Peak Fitness, LLC (W.D.N.C.)
- Storehouse, Inc. (Va.)
- *Representation of Suppliers and Vendors:* Assist creditors with recognition of their claims, including 503(b) (9) claims and reclamation claims, critical vendor status negotiations, treatment of executory contracts and general bankruptcy administration. Representations include:
 - Bi-Lo, LLC (S.C.)
 - Delphi Corporation (S.D.N.Y.)
 - General Motors Corporation (S.D.N.Y.)
 - Chrysler Group LLC (S.D.N.Y.)
 - Nortel Networks, Inc. (Del.)
 - Smurfit-Stone Container Corporation (Del.)
- *The Wood Pile, LLC* (E.D.N.C.): Representation of secured creditor in restructure of real estate loans through confirmed chapter 11 plan.
- *W.R. Grace & Co.* (Del.): Assist with representation of issuer of approximately \$13 million letter of credit.
- *W.R. Grace & Co.* (Del.): Assist with the representation of issuer of over \$20 million in letters of credit to debtors. Debtors
- *J. A. Jones, Inc.* (W.D.N.C.): Local debtors' counsel for 50 debtor entities in successful liquidation of construction businesses.
- *Nobex Corporation* (Del.): Debtor's special counsel for sale of U.S. and foreign patents and patent applications.
- *Southaven Power, LLC* (W.D.N.C.): Local counsel for debtor in the successful chapter 11 bankruptcy of owner of an 800-megawatt merchant power plant. Buyers
- *American Commercial* (D. N.J.): Representation of international client in contested section 363 purchase of real estate in bankruptcy proceeding.
- *Birmingham Steel Corporation* (Del.): Representation of acquirer of \$600 million in assets, which were purchased through a confirmed bankruptcy plan.

As workout lawyers, our Bankruptcy & Financial Restructuring group offers experience and demonstrated success to both lenders and borrowers seeking to resolve financial challenges outside of bankruptcy. We frequently collaborate with our lender clients to develop creative solutions for working out troubled credits, including debt-for-equity swaps and other change of control transactions designed to align the capital structure of an enterprise with economic realities. These transactions are tailored to be tax efficient and preserve key employee, vendor, and customer relationships. In addition, we have successfully helped numerous corporate clients restructure their obligations and avoid bankruptcy.

Representative Workout Matters

Representative Work-out matters include:

- *Advertising*: Assist with the representation of a senior secured lender in connection with workout of approximately \$107 million owed by a real estate media company.
- *Agriculture*: Assist with representation of secured lender in connection with workouts involving hog farmers.
- *Agriculture*: Representation of secured lender owed approximately \$55 million in connection with workout involving turkey and hog growers.
- *Automobile Dealer*: Assist with the representation of secured lender in connection with workout of approximately \$65 million owed by an automobile dealer.
- *Automobile Dealer*: Representation of secured lender in connection with workout of approximately \$30 million owed by an automobile dealer.
- *Building Products*: Representation of agent for secured lender owed \$70 million in connection with workout involving building products supplier.
- *Construction*: Representation of senior secured lender owed approximately \$70 million in connection with wind-down of commercial excavation company.
- *Consulting*: Representation of agent for lender syndicate in successful restructuring, reducing \$65 million exposure to full payoff of senior debt facility to Florida consulting company.
- Counsel to secured lender which owed approximately \$12 million in connection with workout of metal processing company.
- Counsel to individual investor with \$30 million investment in a Florida aqua-culture business undergoing an orderly wind-down process.
- Counsel to individual investor in orderly liquidation of \$55 million of multi-state secured real estate investments.
- *Financial Services*: Representation of state bank in restructuring and securing of involuntary indebtedness arising from check-kiting scheme.
- *Financial Services*: Representation of unsecured lender owed approximately \$12 million in connection with workout involving servicer of distressed debt.
- *Financial Services*: Representation of financial services borrower in restructuring of \$110 million credit facility.
- *Hospital System*: Assist with the representation of lessor in connection with \$10 million of hospital equipment in workout.
- *Leasing*: Representation of agent for syndicate of lenders with \$100 million of exposure in workout and subsequent refinance of credit facility to California automated teller machine lessor.
- *Light Manufacturing*: Representation of administrative agent for lenders in debt for equity restructuring of approximately \$275 million in senior secured financing to borrower in the building products industry.

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- *Light Manufacturing*: Representative of administrative agent for lenders in restructuring of approximately \$700 million in senior secured financing to borrow in the building products industry.
- *Manufacturing*: Representation of lending institution in the restructuring of a \$26 million loan facility to a manufacturing company.
- *Manufacturing*: Representation of agent for syndicate of lenders in workout and ultimate full payoff of \$500 million exposure to Alabama manufacturing conglomerate.
- *Marine Services*: Assist with the representation of lender in connection with workout of approximately \$20 million owed by marine services company.
- *Motorsports*: Representation of administrative agent in the workout of an \$80 million loan to a racing team.
- *Municipal Finance*: Representation of variable rate securities liquidity bank, auction rate securities broker-dealer and interest rate swap provider in connection with defaulted \$3.2 billion Alabama county sewer bond issuance.
- *Natural Gas Services*: Representation of agent for second lien lenders owed approximately \$40 million in connection with workout involving Canadian natural gas services company.
- *Pharmaceutical*: Representation of agent for secured lenders in connection with \$125 million in exposure to pharmaceutical company.
- *Real Estate*: Representation of secured creditors and borrower in various deed-in-lieu of foreclosure transactions.
- *Real Estate*: Representation of secured creditor in restructure of loans to various borrowers developing low income housing tax credit properties.
- *Real Estate*: Representation of lender in connection restructuring over \$35 million in total loans to real estate developer.
- *Recycling*: Representation of senior secured lender in connection with workout of approximately \$6 million owed by a metal recycling facility and incurrence of subordinated debt to finance acquisition of facility upgrade.
- *Retail Marketing*: Representation of administrative and collateral agent for syndicate of lenders in successful restructurings of New England marketing company involving \$25 million new equity investment from sponsor and subsequent refinancing.
- *Telecommunications*: Representation of agent for syndicate of lenders that worked down \$100 million exposure to Washington D.C. area telecommunications company to full payoff.
- *Telecommunications*: Representation of senior secured lender in connection with a workout of approximately \$22 million owed by an international communications services company.
- *Trucking*: Representation of agent for loan syndicate in comprehensive restructure of \$100 million in loans to Florida trucking company, involving the procurement of significant additional collateral coverage and the resolution of difficult intercreditor issues with private placement insurance company note holders.
- *Wholesale Distributing*: Representation of administrative and collateral agent for syndicate of lenders in workout culminating in consensual Article 9 sale of New York wholesale distributor's assets.

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As litigators, we represent clients in resolving adversary proceedings and other insolvency related litigation. We often defend parties in preference, fraudulent transfer and other avoidance actions that are commonly used by debtors against creditors that have received payments before the debtor's bankruptcy filing. We typically attempt to resolve these matters amicably, but when circumstances require litigation, we fully and zealously defend our clients.

Representative Litigation Matters

Representative Litigation matters include:

- *In re Heilig-Meyers* (Va). Defended a bank group in \$300 million preference litigation brought by a national retail chain, resulting in no liability for bank defendants.

We have also defended trade creditors in preference actions brought for the recovery of preferential transfers in cases such as:

- *In re Tower Automotive Group, et al.* (N.Y.).
- *In re Enron Corporation, et al.* (N.Y.).
- *In re Piccadilly Cafeterias, Inc.* (Fl.).
- *In re Oakwood Homes* (Del.).
- *In re Pillowtex, et al.* (Del.).
- *In re Daiseytek, et al.* (Tex.).
- *In re Maxide Acquisition, Inc., et al.* (Del).
- *In re Galey & Lord* (N.Y., Ga.)
- *In re Beloit Corp.* (Del.)
- *In re Collins and Aikman* (Mich.)
- *In re Dan River* (Ga.)
- *In re Georgetown Steel* (S.C.)

As finance lawyers, the Bankruptcy & Financial Restructuring group works closely with our financial services and corporate attorneys to ensure that lending and corporate transactions are scrutinized from every angle. We are actively involved in the documentation of transactions. We have particular experience negotiating the terms of intercreditor relationships and we regularly assist clients in evaluating the bankruptcy risks associated with new financial products and transaction structures.

Representative Finance Matters

Finance-based representative matters include:

- *Apparel Manufacturing*: Representation of senior secured lender in connection with extension of approximately \$65 million credit facility and negotiation of intercreditor agreement.

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- Counsel to agent for second lien lenders in \$95 million secured facility for a rubber manufacturing company.
- Counsel to power companies with respect to \$260 senior secured facility and interest rate hedge facility.
- *Financial Services*: Representation of special purpose financial services borrower in \$75 million credit facility.
- *Various*: Issuance of true sale and non consolidation legal opinions for sales of receivables and other securitization lending transactions.