

STEPHEN E. GRUENDEL

Co-head, Financial Restructuring

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Steve Gruendel represents banks and other creditors in connection with workouts and bankruptcies. A certified mediator, an entrepreneur and a workout lawyer, Steve brings a practical, solution-seeking approach to complex legal situations. He's been recognized in *Chambers Partners USA* as a go-to workout lawyer for the past 10 years.

Steve is co-head of the Bankruptcy & Financial Restructuring group. He represents banks and other creditors in workouts and bankruptcies. Certified as a Superior Court Mediator, Steve brings a practical, problem-solving approach to workouts - recognizing that in most situations a practical and cooperative solution is better for his creditor clients than a collection action or a liquidation.

Steve's practice encompasses both bilateral and syndicated lending facilities and leases. With clients that are local, regional, and national in scope, his work is as likely to involve a restructure of a family-owned hog producer's loan agreement as it is to involve a multi-national call-center's broadly syndicated credit facilities. Workout matters regularly involve forbearance agreements, amendments, wind-downs and debt restructuring agreements. Chapter 11 matters regularly involve debtor-in-possession financings and cash collateral use, section 363 sales and negotiated and/or contested reorganization plans. Steve's workout matters often involve intercreditor issues with third parties, including payment subordination, lien subordination, and surety-related rights and he frequently advises clients about how to structure loans that involve particularly thorny or complex issues.

Steve is currently involved in a host of workouts involving businesses impacted by COVID-19, including fitness franchises, restaurant chains, hotels, and senior living facilities. Several recent matters have also involved workouts requiring the return of leased aircraft following defaults, both in the United States and abroad.

Capabilities

Bankruptcy & Financial Restructuring

Education

J.D., Boston College, 1998, summa cum laude; Order of the Coif; Editorial Board, Boston College Law Review

B.A., Yale University, 1994

Admissions

Connecticut, 1999

North Carolina, 1999

Massachusetts, 1998

U.S. District Courts for the Eastern, Middle and Western Districts of North Carolina

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Notable

- *Chambers USA* - North Carolina, Bankruptcy/Restructuring, 2011-2022
- *Best Lawyers in America*, Bankruptcy and Creditor Debtor Rights/Insolvency and Reorganization Law, 2009-2022
- Certified Mediator
- Trained in Collaborative Practice
- Hiring Member, Moore & Van Allen, 2010-2014
- Member, Yale Club of Charlotte
- Former law clerk to Hon. Edward F. Harrington, United States District Judge (D. Mass.)
- Former varsity football player, Yale College

Affiliations

- American Bankruptcy Institute
- American Bar Association
- North Carolina Bar Association

Representative Experience

- **Legal Services.** Represented mezzanine lender owed \$17MM by legal services provider in bankruptcy proceedings. Case involved a “priming” DIP facility provided by client, priming the senior secured lender, and a creditor-proposed plan of reorganization.
- **Aircraft Lease.** Represented lessor of gulfstream aircraft to Mexican entity. Matter involved extensive collaboration with aviation counsel, Mexican litigation counsel and multiple departments within client organization to achieve recovery of aircraft.
- **Food Services.** Represented administrative agent under \$60MM credit facility to food services vendor. Matter involved disposition of substantially all assets of company through 11 simultaneous secured party sale transactions under Article 9.
- **Senior Living Facility.** Represented administrative agent under \$150MM credit facility to senior living business in Florida impacted by COVID-19. Matter involved complex inter-lender dynamics and challenging negotiations to achieve consensual result.
- **International Call Center.** Represented administrative agent under \$750MM syndicated credit facilities to multi-national call center. Matter involved complex inter-lender governance issues and an emergency priming liquidity facility necessitated by COVID-19.
- **Fitness Franchisor.** Represented administrative agent under \$75MM credit facility in connection with potential sale and/or wind-down of fitness franchise impacted by COVID-19.
- **Pharmaceutical Company.** Represented administrative agent in \$65MM club deal to pharmaceutical company. Representation involved preservation of intellectual property licenses in connection with an

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Article 9 secured party sale transaction.

- **Swimwear producer.** Represented lender in two-lender club deal involving \$200MM credit facility to swimsuit manufacturer impacted by COVID-19. Matter involved disputes related to borrowing base and collateral coverage.
- **Tool manufacturer.** Represented lender in \$25MM single-bank deal to tool/equipment manufacturer. Representation involved company-side corporate governance dispute and intellectual property issues.
- **Turkey Grower.** Represented lender in \$125MM credit facility to hog and turkey producer. Matter involved complex inter-creditor issues related to shared collateral among multiple lenders.
- **Casual Dining.** Represented secured lender owed \$18,000,000 in connection with the chapter 11 bankruptcy proceedings of a casual dining business with 20 locations in North and South Carolina.