

DEBTORS & CORPORATES

OVERVIEW

Our lawyers have broad experience in advising distressed business and their boards operating in a wide variety of sectors. We also regularly work with parent companies, shareholders and turnaround specialists. We regularly advise on:

- Consensual restructuring negotiations with key stakeholders,
- Out of court restructurings including reorganisations, demergers, group reconstructions and bond restructurings,
- Refinancing or amendment of existing credit facilities,
- Sales or other dispositions of business and/or assets,
- US Chapter 11 and Chapter 15 reorganisations,
- UK administrations, company voluntary arrangements, receiverships, and liquidations,
- German protective shield and insolvency plan proceedings, and
- Directors' duties and responsibilities.

Restructurings are complex and often move rapidly. Our experience allows us to efficiently coordinate the broad teams of professionals necessary for an effective restructuring - often drawn from other specialties within our firm - and to keep the core restructuring effort advancing while satellite issues are resolved.

Our creditor-side practice means that we understand the goals and critical issues of secured and unsecured creditors, equity holders and asset purchasers as we work with the debtor to develop an effective restructuring strategy.

Distressed transactions

A significant proportion of acquisition activity involves financially distressed businesses. Our restructuring and insolvency team has many years of experience representing both sellers and buyers in such transactions either within or outside formal insolvency proceedings.

The goal of maximizing returns to creditors creates unique complexities in distressed sales. We regularly navigate these issues when representing Chapter 11 debtors in selling discrete businesses or all of their assets in bankruptcy sales, under plans of reorganization and when negotiating UK pre-packs.

Our extensive debtor-side practice means that we understand the dynamics of distressed business sales and, as such, are well positioned to advise the buyers of distressed assets and/or businesses. We also frequently represent asset purchasers, including stalking-horse bidders, competing cash bidders and lenders credit-bidding for their collateral.

EXPERIENCE

- We represented Farmland Industries, Inc., the largest agricultural cooperative ever to file under Chapter 11, as debtor's counsel in its case in Kansas City. The company sold its assets in a series of transactions and paid all of its creditors (approximately \$1.9 billion) in full, with interest.
- Represented Debtor – AcuSport Corporation, a distributor of outdoor and shooting-sports products with revenue of more than \$400 million – as lead counsel in its Chapter 11 filing, the sale of substantially all of its assets, and the confirmation of a Chapter 11 liquidating plan.
- We recently represented Oconee Regional Health Systems, Inc., which consisted of a non-profit hospital, skilled nursing facility, and related out-patient clinics in Central Georgia. We represented the client in its Chapter 11 bankruptcy case, which featured a competitive auction, extensive creditor-related litigation, the successful sale of all operations, and confirmation of a plan of liquidation.
- We represented Fuhu, Inc., a producer of electronic tablets for children, after its lender froze its bank accounts just before the holiday shopping season. We litigated and negotiated with the lender simultaneously, and we eventually agreed on a process that resulted in a sale of the client's assets to Mattel for \$21.5 million.
- Represented Interco, Inc. and its affiliates, manufacturers of footwear, apparel and furniture (including Florsheim, Converse, Lane and Broyhill) with more than \$33 billion in liabilities, in their Chapter 11 restructuring in St. Louis
- We advised German-headquartered Meyer Quick Service Logistics GmbH & Co KG and its UK subsidiary Quick Service Logistics UK LP opposite KFC & Taco Bell and DHL Supply Chain Ltd following the service failures, which led to over 700 KFC outlets in the United Kingdom closing due to incomplete food deliveries.

- We advised the board of Air Berlin PLC, the Frankfurt listed UK public company, in relation to the decision to place the company and its operating subsidiaries into German debtor-in-possession insolvency proceedings following the withdrawal of financial support by Etihad, and throughout the debtor-in-possession process involving the entering into of a EUR 150,000,000 financing to finance the process funded by KfW and guaranteed by the German government, the continuation of flight operations and the M&A processes for the divestiture of the airline businesses and slots.
- We acted on the acquisition by as US fund of a £250m+ non-performing loan secured against a 311-store retail portfolio primarily let to Boots. The loan was sold by FMS Wertmanagement, the German bad bank, and we also acted on the acquisition of the equity in the structure. We advised on the financing of the debt acquisition by way of a securitisation issuance and the restructuring of the non-performing loan.
- We advised the 3W Power/AEG Power Solutions Group on the development, negotiation and implementation of its out of court balance sheet restructuring plan. The key elements of the plan included a full haircut throughout the parent company's different capital groups (shares and two corporate bonds) against subscription rights for a cash increase, an amend & extend of the senior loan and taking the parent company public to private. As a result of the restructuring, the group was able to reduce its debt from EUR 86m to EUR 15m.

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