

Bankruptcy & Creditors' Rights

Overview

Our Bankruptcy & Creditors' Rights practice has represented both creditors and debtors in bankruptcy, workouts, foreclosures and creditors' rights litigation for more than 30 years. Our lawyers have counseled parties involved in corporate and partnership restructurings, receiverships and dissolutions outside of bankruptcy.

The firm also has assisted potential purchasers of assets from troubled companies both in and out of bankruptcy. Our co-chairs each have approximately 20 years experience practicing in the bankruptcy court. The practice can call upon lawyers in other disciplines such as labor, environmental, real estate, corporate and pensions to render assistance when needed.

Our clients have called on us to play substantial roles in major bankruptcy cases. We represented a group of creditors in initiating what became the largest bankruptcy in Connecticut history and have taken substantial roles on behalf of creditors in the Massachusetts bankruptcy courts as well.

We represented both the first Connecticut hospital to file Chapter 7 bankruptcy and one of the first companies ever to use the unique jurisdiction of the bankruptcy court to resolve liability for thousands of personal injury cases across the country in a single proceeding. As a result of this broad experience we are able to represent our clients in virtually any aspect of bankruptcy litigation.

Representative Matters

Representing Companies in Chapter 11

- DB Companies, Inc., a chain of 150 convenience stores and gas stations in the northeast, with revenues of \$175 million. We represented the company in selling its retail locations through Chapter 11.
- Groves in Lincoln, Inc., a senior living facility with outstanding bond debt of \$88 million. We represented the company in its Chapter 11 case in which the business was successfully sold as a going concern.
- Helicos BioSciences Corp., a publicly held manufacturer of gene sequencing equipment. We represent the company in its pending Chapter 11 case focused on maximizing the value of its intellectual property.
- BioTransplant Incorporated, a publicly-held developer of therapeutics to suppress undesired immune responses. We represented the company in connection with its liquidating Chapter 11 plan under which creditors were paid in full.
- New Hampshire Electric Cooperative, Inc., an electric utility with approximately 60,000 customers and \$270 million in debt. We represented the utility in obtaining confirmation of a Chapter 11 plan that restructured debt resulting from investment in a nuclear power plant while maintaining the utility as an independent company.
- Sigg Switzerland (USA), Inc., the American affiliate of a worldwide seller of water bottles. We served as counsel to the company, achieving a successful sale of the company's business in Chapter 11 within 60 days of the filing.
- Waste Systems International, Inc., a solid waste disposal company with liabilities of \$150 million. We represented the company in its successful Chapter 11 reorganization, in which the equity sponsor retained ownership in exchange for an additional investment.

- Raytech Corporation, a manufacturer of brakes and clutches for the automotive industry facing \$3 billion of asbestos personal injury claims. We represented the company in obtaining confirmation of a Chapter 11 plan establishing a trust for the payment of asbestos claims.
- NordicTrack, Inc., a manufacturer of exercise equipment with peak sales of \$480 million. We represented the company in its Chapter 11 case involving sale of the company's trade name and inventory.

Accomplishing an Out-of-Court Restructuring

- A mid-sized Connecticut manufacturing company. We represent the company in an out-of-court restructuring with its senior lender and several creditor constituencies.
- Diam International, Inc., a designer and manufacturer of retail product displays with sales of \$250 million. We represented the company in an out-of-court restructuring whereby almost half of its revolving credit facility of \$100 million was forgiven, and the common stock remained in the hands of the equity sponsor.
- Insurance Holdings of America, an insurance marketing and technology company with liabilities of \$30 million. We served as creditors' trustee under an out-of-court wind-down arrangement approved by creditors as a quicker and less expensive alternative to bankruptcy.
- Education Loan Services, Inc., a loan-servicing company responsible for \$3.4 billion in student loans owned by 80 different client financial institutions. We represented the company in an out-of-court program successfully transferring the loan portfolios to other servicers while avoiding the enormous loss to clients that would have resulted from a sudden cessation of servicing.
- In addition, the firm has represented many companies in closing down with a minimum of disruption, litigation and adverse publicity, utilizing self-managed liquidations, assignments for benefit of creditors, and other legal tools.

Creditors' Rights Litigation

- We served as lead counsel for the plaintiff in a federal court action seeking to set aside over \$28 million in fraudulently transferred assets and, with federal prosecutors, in enforcing a \$3.275 billion dollar restitution order.
- We recovered an \$11 million judgment for a bank client in the Massachusetts Superior Court in connection with litigation brought against guarantors of a failed 200 unit condominium development.
- We successfully represented a publicly traded regional bank in lender liability case involving a failed 108 unit housing development. After a ten day trial in Superior Court, we recovered \$4.8 million judgment for the bank client plus attorneys' fees and defeated entirely a \$5.8 million counterclaim asserted by the developer.
- We represent the principal of a major heating oil distributor facing millions of dollars of liabilities in connection with the company's failure.
- We represented managers affiliated with a Fortune 500 company in resolving creditors' claims arising out of the failure of a subsidiary.
- We regularly counsel directors and officers, as well as the companies they serve, concerning D&O insurance coverage, including the special issues that arise when the company is insolvent.
- We have represented the bankruptcy estate or the defendants in hundreds of preference cases in courts throughout the northeast.
- In addition, the firm regularly appears on behalf of creditors in the Southern and Eastern Districts of New York, since our Stamford, Connecticut office represents a cost-effective alternative to engaging counsel in New York City.

Related Attorneys

- Daniel C. Cohn
- Michael P. Connolly
- Mark G. DeGiacomo
- Taruna Garg
- Olga L. Gordon
- Zachary J. Gregoricus
- Jonathan M. Horne
- Robert E. Kaelin
- Julie A. Lavoie
- Lindsey M. McComber
- Kari L. Olson
- Matthew A. Pesce
- Thomas S. Vangel
- Robert A. White