

Bankruptcy & Restructuring

Our clients rely on us to help them navigate distressed situations and bring about swift and sensible solutions through bankruptcy and restructuring.

ZAG-S&W offers legal services in all aspects of bankruptcy, restructuring, creditors' rights and commercial law.

Clients benefit from our extensive experience in devising tailored strategies and rigorously pursuing all avenues for companies in distress. In matters involving billions of dollars, we have represented clients contesting matters in out-of-court workouts and restructurings, as well as federal bankruptcy courts in New York, Delaware, Massachusetts, and other jurisdictions across the country.

Our creditor practice has a special focus on the issues faced by financial institutions and investors in financial transactions involving one or more distressed entities. This includes advice concerning the enforcement of remedial rights; restructuring of investments in defaulted public, private, and secured and unsecured bonds; workout of investments in CDOs and other structured investment vehicles; and enforcement of termination of swaps and other derivative instruments due to a bankruptcy or reorganization.

Our group has advised on some of the most complex and challenging domestic and cross-border bankruptcies. For example, we advised the indenture trustee on the Chapter 11 proceedings of Lehman Brothers Holdings, Inc. and affiliates; the indenture trustee on a Chapter 15 Proceeding, which was the first time a Mexican reorganization plan has been denied enforcement in the United States; and the mortgagees, pass-through trustees, subordination agents, or indenture trustees, on the Chapter 11 proceedings of American Airlines, Northwest Airlines and United Air Lines.

Representative Client Work

- **21st Century Oncology.** We currently represent 21st Century Oncology Holdings, Inc. and its subsidiaries in connection with all post effective date bankruptcy matters. We have been tasked with resolving over 1,569 in claims totaling \$406,000,000.00.
- **GTAT Corporation.** Successfully represented GTAT Corporation and its subsidiary debtors in connection with the recovery of over \$110 million of avoidable transfers arising from the commencement of the GTAT Chapter 11 cases. S&W commenced over 300 various lawsuits seeking the return of funds and obtained approval by the United States Bankruptcy Court for the District of New Hampshire for mediation procedures to streamline the litigation process.
- **Inshtra Medical, Inc.** Successfully represented our client, a private equity fund, in connection with the prepackaged Chapter 11 case of Inshtra Medical, Inc. Inshtra Medical had significant litigation, operational and financial issues that were resolved as part of the Chapter 11 process and our client's acquisition of the company.
- **Black Elk Energy Offshore, Inc.** Successfully represented the Ad Hoc Group of Noteholders in Black Elk Energy Offshore, Inc. in connection with all aspects of the Chapter 11 case, including various litigations, as well as the approval of debtor-in-possession financing and plan confirmation.
- **Credit Default Swaps.** We regularly advise hedge funds on the bankruptcy and litigation process as it pertains to various credit default swap positions held by such funds. As part of this process, we assist our clients with the evaluation of risks to help our clients make better investment decisions.

- **Municipal Financings.** We regularly represent clients in connection with the enforcement of remedies in tax exempt bond financings and understand the rights and obligations of economic development issuers, borrowers and bond purchasers in such matters. We have represented clients in the Chapter 11 case of a continuing care senior housing facility, in state court proceedings (including both special mastership or receivership proceedings) of health care facilities, in the enforcement of rights with respect to tax exempt bonds providing for educational facilities and multi-family housing and in litigation concerning the rights of credit parties involved in the financing of military housing facilities.
- **Chapter 15 Proceeding.** Successfully represented indenture trustee of public debt before the U.S. Court of Appeals for the Fifth Circuit in appeal of Chapter 15 proceeding. The Fifth Circuit ruled that a Mexican reorganization plan that granted discharges to its non-debtor operating subsidiaries cannot be enforced in the United States. After having its bankruptcy plan approved in Mexico, the Mexican company, Vitro SAB de CV, filed a Chapter 15 proceeding in the Bankruptcy Court for the Northern District of Texas, and sought to have its plan enforced in the United States. The Bankruptcy Court refused to enforce the plan. The Fifth Circuit then agreed to take a direct appeal from the Bankruptcy Court. This case represents the first time a Mexican reorganization plan has been denied enforcement in the United States.
- **Lehman Brothers.** Representing client in its capacity as indenture trustee, securitization trustee or collateral agent under various derivative transactions, loan trusts, swaps and other securities, as a member of the unsecured creditors' committee in the Chapter 11 proceedings of Lehman Brothers Holdings, Inc. and affiliates.
- **Airline Bankruptcies.** Represented mortgagees, pass-through trustees, subordination agents, or indenture trustees, in the Chapter 11 proceedings of American Airlines, Northwest Airlines and United Air

Lines with respect to commercial aircraft equipment and engines, including enforcement of obligations under Section 1110 (a) of the Bankruptcy Code, repossession and foreclosure of collateral, restructuring of transactions, prosecution of, and distributions with respect to, claims. Significant involvement in claims litigation concerning the interplay among tax indemnity claims and stipulated loss value, and litigation with respect to equity squeeze provisions.

- **American Refining Group, Inc. (ARG).** Represented a refinery operator in the bankruptcy of Chemtura Corporation, from whom ARG acquired a facility.
- **Integrated Health Services, Inc., Mariner Post-Acute, Inc., Sun Healthcare Group, Inc.** Our clients, holding leasehold and mortgage interests in approximately 57 real properties located in 13 states, entered into settlements whereby the properties were recovered and the debt resolved within a short time of each company's Chapter 11 filing.
- **Publicly Held REIT.** Advised a publicly held REIT and its affiliates, which buy, own and lease senior citizen housing, in the creation and/or recycling of 17 "bankruptcy remote" subsidiaries in order to secure a master credit facility.

For further information about our Bankruptcy & Restructuring practice, please visit our website at www.zag-sw.com or contact:

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