

# Corporate Restructuring

Skadden

The Corporate Restructuring Group at Skadden, Arps, Slate, Meagher & Flom LLP and affiliates ("Skadden") provides innovative, practical legal solutions to clients involved in distressed company situations. Our goal is to give effective and expedient responses, which allow clients to minimize costs, enhance value and properly position themselves for the future. Skadden's experience across a variety of industries and with all types of restructurings, combined with our global reach, wide-ranging practice capabilities and dedication to client service, allows us to address clients' needs in any restructuring situation.

We represent troubled companies, their boards, management, owners, creditors and investors, handling restructurings in and out of court, financial recapitalizations, business reorganizations and liquidations. The group draws on the firm's background in M&A, banking and capital market transactions to develop innovative strategies for clients. Our lawyers also advise on insolvency issues in corporate and financing transactions and on all aspects of distressed debt trading and securities issues. In addition, attorneys from other departments within the firm, such as tax, banking, corporate, litigation, real estate, securities, and mergers and acquisitions, regularly work on restructuring and bankruptcy matters; the seamless integration of Skadden's restructuring practice in our offices in Europe and Asia allows us to address clients' needs in the context of insolvency and bankruptcy regimes around the world.

Our business-oriented focus has led to innovative and economically efficient strategies for our clients, including debt and equity exchange offers, purchases and sales of distressed assets, and prepackaged bankruptcies. We help clients minimize the time spent in Chapter 11, and our experience in high-stakes, troubled company disputes includes expedited litigation. Additionally, a substantial aspect of our practice focuses on avoiding or mitigating the adverse effects of liquidity or other crises through contingency planning and

helping companies overcome the inertia of a downward spiral while they still have alternatives to bankruptcy.

Skadden's Corporate Restructuring Group consistently has been recognized by peers and restructuring professionals as one of the top practices in the world, including such past honors as "Restructuring Team of the Year" (*IFLR*), "Bankruptcy Team of the Year" (*Chambers USA*), "International Legal Firm of the Year" and "International Insolvency & Rescue Firm of the Year" (*Credit Today*). Skadden was named among *Law360*'s Bankruptcy Groups of the Year for 2015. We ranked in the top tier by *U.S. News – Best Lawyers* "Best Law Firms" 2015, *Chambers USA* 2015, *Legal 500* 2015 and *IFLR1000* 2014 for corporate restructuring, and we were honored with four awards at the 2014 M&A Advisor Turnaround Awards. We were recognized in the 2013 *Financial Times* "US Innovative Lawyers" report, as well as in *Turnarounds & Workouts*, for our representation of AMR's creditors committee in its Chapter 11 bankruptcy through its merger with US airways. Partners in the group have been recognized as leading lawyers by *Chambers Global*, *Chambers USA*, *The M&A Advisor*, *Turnarounds & Workouts*, *Law360* and the *K&A Restructuring Register*. *The American Lawyer* has chosen partners in the group as "Dealmakers of the Year" and *The National Law Journal* recognized two of our partners as among the "Most Influential of the Decade."

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## Nonjudicial Workouts and Restructurings

A significant part of the Corporate Restructuring Group's practice involves representing companies in nonjudicial debt restructurings, often involving billions of dollars of publicly and privately held debt securities. We have handled restructurings undertaken not only by financially distressed companies, but also by healthy companies seeking to recapitalize or restructure operations, or retire debt at a discount. These transactions have involved refundings or renegotiations of privately held debt, issuer tender or exchange offers for publicly held debt securities, solicitations of bondholder consents to covenant relief, cash infusions from existing or new investors, and asset sales or spin-offs. Examples of these representations include Barneys New York, Centro Properties, DSW, Harrah's, Intrust, ION Media Networks, Marsico, the NHL (in the recapitalization of the New Jersey Devils), Residential Capital, Tele Columbus, Torm and Travelport.

Additionally, Skadden pioneered the use of bankruptcy techniques to accomplish corporate objectives expeditiously and economically when a preponderance — but not all — of a company's creditors support a financial restructuring. These "prepackaged" or "prearranged" bankruptcies — where the terms of a debt refinancing are worked out prior to filing Chapter 11 — result in minimal time spent in bankruptcy, avoiding millions of dollars of fees and damage to enterprise value. For example, Skadden shepherded Bluebird Corporation in and out of Chapter 11 in only 32 hours. Other prepacks include Charter Communications, CIT Group, Globix, Jackson Hewitt, Memorex Telex, MGM (the largest ever prepack in less than 30 days), Mrs. Fields, Specialty Foods and Vertis Holdings.

Similarly, using Section 363 of the Bankruptcy Code to sell or buy a troubled company's assets quickly and free of liability overhangs has been an area in which Skadden's M&A capability has helped shape the industry standard — particularly where enterprise value is eroding rapidly. The "melting ice cube" sale in Refco, orchestrated by Skadden, served as the model for sales of companies in crises such as Lehman Brothers. Other notable transactions include advising a private equity consortium on the purchase of American-West Bank in the first-ever bank holding company Section 363 sale; DISH Network in its acquisition of DBSD (utilizing a tender offer for creditor claims); the National Hockey League in connection with the Dallas Stars and Phoenix Coyotes sales; Black Diamond Capital Management in its acquisition of Werner Co.; Ellington Management Group, L.L.C. in its acquisition via an auction of a portfolio of home subprime mortgage loans and related securities from New Century Financial Corporation; and Severstal, Mylan Laboratories, Tweeter Home Entertainment Group, Danka Business Systems and Fortunoff in their sales of assets.

## Traditional Chapter 11

Skadden has advised debtors in numerous cases involving some of the largest and most complicated Chapter 11 reorganizations in recent history (Delphi, MF Global, Refco and Winn-Dixie), as well as mid-cap debtors (Circuit City, Fortunoff, Life Care Holdings, Spectrum Brands, Syms and VeraSun Energy). Depending on the circumstances, we may represent owners (Charter and Lyondell), senior secured lenders (in the Chapter 11 cases of Bally Total Fitness, Movie Gallery, Solutia, Source Interlinks, and Tropicana Hotel and Casino) committees of creditors (in the case of AMR) or equity holders (Chemtura).